



# Government Gazette

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## LEGISLATION

### Online notification of the making of statutory instruments

Week beginning 8 June 2009

THE following instruments were officially notified on the NSW legislation website ([www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)) on the dates indicated:

#### Regulations and other statutory instruments

[Bail Amendment \(Authorised Justices\) Regulation 2009](#) (2009-230) — published LW 12 June 2009

[Conveyancing \(General\) Amendment \(Fees\) Regulation 2009](#) (2009-231) — published LW 12 June 2009

[Prisoners \(Interstate Transfer\) Regulation 2009](#) (2009-232) — published LW 12 June 2009

[Real Property Amendment \(Fees\) Regulation 2009](#) (2009-233) — published LW 12 June 2009

[Strata Schemes \(Freehold Development\) Amendment \(Fees\) Regulation 2009](#) (2009-234) — published LW 12 June 2009

[Strata Schemes \(Leasehold Development\) Amendment \(Fees\) Regulation 2009](#) (2009-235) — published LW 12 June 2009

[Surveying Amendment \(Fees and Deposits\) Regulation 2009](#) (2009-236) — published LW 12 June 2009

[Workers Compensation Amendment \(Delegation\) Regulation 2009](#) (2009-228) — published LW 11 June 2009

[Workers Compensation Amendment \(Retro-Paid Loss Premium Method\) Regulation 2009](#) (2009-237) — published LW 12 June 2009

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## Orders

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New South Wales

# Property, Stock and Business Agents (Qualifications) Order 2009

under the

Property, Stock and Business Agents Act 2002

I, the Minister for Fair Trading, in pursuance of section 15 of the *Property, Stock and Business Agents Act 2002*, make the following Order.

Dated, this 15th day of June 2009.

VIRGINIA JUDGE, M.P.,  
Minister for Fair Trading

### Explanatory note

The object of this Order is to update the qualifications required for the issue of licences and certificates of registration under the *Property, Stock and Business Agents Act 2002*. The holders of existing licences and certificates of registration will continue to have their existing qualifications recognised.

This Order is made under section 15 of the *Property, Stock and Business Agents Act 2002*.

## Property, Stock and Business Agents (Qualifications) Order 2009

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## Property, Stock and Business Agents (Qualifications) Order 2009

under the

Property, Stock and Business Agents Act 2002

### Part 1 Preliminary

#### 1 Name of Order

This Order is the *Property, Stock and Business Agents (Qualifications) Order 2009*.

#### 2 Commencement

This Order commences on the day on which it is published in the Gazette.

#### 3 Definitions

In this Order:

**registered training organisation** has the same meaning as in the *Vocational Education and Training Act 2005*.

**the Act** means the *Property, Stock and Business Agents Act 2002*.

#### 4 Approval of qualifications

For the purposes of section 15 (1) of the Act, the qualifications set out in this Order are approved as the qualifications required for the issue of a licence or certificate of registration of the category to which they relate.

#### 5 Underpinning knowledge based on New South Wales law

The underpinning knowledge for a unit of competency from the Property Services Training Package (CPP07), or the Property Development and Management Training Package (PRD01), must be based on New South Wales law for the unit of competency to be included in a qualification approved by this Order.

#### 6 Repeal

The *Property, Stock and Business Agents (Qualifications) Order 2003* is repealed.

Clause 7	Property, Stock and Business Agents (Qualifications) Order 2009
Part 2	Qualifications for real estate agent's licence

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## Part 2 Qualifications for real estate agent's licence

### 7 Current qualifications required for the issue of a real estate agent's licence

A person has the qualifications required for the issue of a real estate agent's licence if a registered training organisation has issued the person with a CPP40307 Certificate IV in Property Services (Real Estate) demonstrating competency in all of the following units of competency:

- (a) CPPDSM4007A—Identify legal and ethical requirements of property management to complete agency work,
- (b) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work,
- (c) CPPDSM4009A—Interpret legislation to complete agency work,
- (d) CPPDSM4015A—Minimise agency and consumer risk,
- (e) CPPDSM4080A—Work in the real estate industry,
- (f) CPPDSM4003A—Appraise property,
- (g) CPPDSM4004A—Conduct auction, or CPPDSM4020A—Present at tribunals,
- (h) CPPDSM4005A—Establish and build client–agency relationships,
- (i) CPPDSM4006A—Establish and manage agency trust accounts,
- (j) CPPDSM4010A—Lease property,
- (k) CPPDSM4011A—List property for lease,
- (l) CPPDSM4012A—List property for sale,
- (m) CPPDSM4013A—Market property for lease,
- (n) CPPDSM4014A—Market property for sale,
- (o) CPPDSM4016A—Monitor and manage lease or tenancy agreement,
- (p) CPPDSM4017A—Negotiate effectively in property transactions,
- (q) CPPDSM4019A—Prepare for auction and complete sale,
- (r) CPPDSM4022A—Sell and finalise the sale of property by private treaty,
- (s) CPPDSM4049A—Implement maintenance plan for managed properties,
- (t) CPPDSM4056A—Manage conflict and disputes in the property industry,
- (u) BSBRKG304B—Maintain business records,

Property, Stock and Business Agents (Qualifications) Order 2009	Clause 8
Qualifications for real estate agent's licence	Part 2

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- (v) BSBMB406A—Manage small business finances,
- (w) BSBLED401A—Develop teams and individuals,
- (x) at least one elective unit of competency of the candidates' own choice from the property sales and management, specialist or common units from CPP40307 Certificate IV in Property Services (Real Estate).

### **8 Recognition of past qualifications required for the issue of a real estate agent's licence**

A person has the qualifications required for the issue of a real estate agent's licence if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE08A—Manage efficient financial systems,
  - (ii) PRD01 Unit of Competency PRDRE09A—Implement and monitor financial management systems,
  - (iii) PRD01 Unit of Competency PRDRE10A—Manage agency risk,
  - (iv) PRD01 Unit of Competency PRDRE11A—Provide property appraisal,
  - (v) PRD01 Unit of Competency PRDRE13A—Obtain property listings,
  - (vi) PRD01 Unit of Competency PRDRE14A—Market property,
  - (vii) PRD01 Unit of Competency PRDRE15A—Undertake property sale by private treaty,
  - (viii) PRD01 Unit of Competency PRDRE16A—Monitor sales process,
  - (ix) PRD01 Unit of Competency PRDRE18A—Lease property,
  - (x) PRD01 Unit of Competency PRDRE19A—Provide property management services,
  - (xi) PRD01 Unit of Competency PRDRE23A—Maintain agency–client relationship,
  - (xii) PRD01 Unit of Competency PRDRE26A—Conduct property sale by auction,



Clause 8 Property, Stock and Business Agents (Qualifications) Order 2009  
Part 2 Qualifications for real estate agent's licence

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- (xiii) PRD01 Unit of Competency PRDRE28A—Maintain trust account,
  - (xiv) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (xv) PRD01 Unit of Competency BSXFMI511A—Contribute to the development of a workplace learning environment,
  - (xvi) New South Wales Module 17319A—Work in the real estate sector,
  - (xvii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a real estate agent's licence at the time of making an application for renewal of the licence, or
  - (c) the person has held a real estate agent's licence in the 3 months preceding the making of an application for restoration of the licence, or
  - (d) the person has held a real estate agent's licence in the 12 months preceding the making of an application for the equivalent licence.

Property, Stock and Business Agents (Qualifications) Order 2009 Clause 9

Qualifications for real estate agent's licence subject to the condition that the holder act only as a buyer's agent Part 3

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### **Part 3 Qualifications for real estate agent's licence subject to the condition that the holder act only as a buyer's agent**

#### **9 Current qualifications required for the issue of a real estate agent's licence subject to the condition that the holder act only as a buyer's agent**

A person has the qualifications required for the issue of a real estate agent's licence subject to the condition that the holder of the licence act only as a buyer's agent if a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency:

- (a) CPPDSM4001A—Act as a buyer's agent,
- (b) CPPDSM4003A—Appraise property,
- (c) CPPDSM4005A—Establish and build client–agency relationships,
- (d) CPPDSM4015A—Minimise agency and consumer risk,
- (e) CPPDSM4022A—Sell and finalise the sale of property by private treaty,
- (f) CPPDSM4080A—Work in the real estate industry,
- (g) BSBLED401A—Develop teams and individuals,
- (h) CPPDSM3019A—Communicate with clients as part of agency operations,
- (i) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work.

#### **10 Recognition of past qualifications required for the issue of a real estate agent's licence subject to the condition that the holder act only as a buyer's agent**

A person has the qualifications required for the issue of a real estate agent's licence subject to the condition that the holder of the licence act only as a buyer's agent if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE10A—Manage agency risk,
  - (ii) PRD01 Unit of Competency PRDRE11A—Provide property appraisal,

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Clause 10	Property, Stock and Business Agents (Qualifications) Order 2009
Part 3	Qualifications for real estate agent's licence subject to the condition that the holder act only as a buyer's agent

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- (iii) PRD01 Unit of Competency PRDRE15A—Undertake property sale by private treaty,
  - (iv) PRD01 Unit of Competency PRDRE16A—Monitor sales process,
  - (v) PRD01 Unit of Competency PRDRE23A—Maintain agency–client relationship,
  - (vi) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (vii) PRD01 Unit of Competency BSXFMI511A—Contribute to the development of a workplace learning environment,
  - (viii) New South Wales Module 17319A—Work in the Real Estate Sector,
  - (ix) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a real estate agent's licence subject to the condition that the holder of the licence act only as a buyer's agent, or a real estate agent's licence, at the time of making an application for renewal of the licence, or
  - (c) the person has held a real estate agent's licence subject to the condition that the holder of the licence act only as a buyer's agent, or a real estate agent's licence, in the 3 months preceding the making of an application for restoration of the licence, or
  - (d) the person has held a real estate agent's licence subject to the condition that the holder of the licence act only as a buyer's agent, or a real estate agent's licence, in the 12 months preceding the making of an application for the equivalent licence.

Property, Stock and Business Agents (Qualifications) Order 2009

Clause 11

Qualifications for stock and station agent's licence

Part 4

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## **Part 4 Qualifications for stock and station agent's licence**

### **11 Current qualifications required for the issue of a stock and station agent's licence**

A person has the qualifications required for the issue of a stock and station agent's licence if a registered training organisation has issued the person with a CPP40407 Certificate IV in Property Services (Stock and Station Agency) demonstrating competency in all of the following units of competency:

- (a) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work,
- (b) CPPDSM4009A—Interpret legislation to complete agency work,
- (c) CPPDSM4015A—Minimise agency and consumer risk,
- (d) CPPDSM4024A—Advise clients on livestock sale and purchase options,
- (e) CPPDSM4039A—Conduct livestock sale by auction,
- (f) CPPDSM4068A—Prepare livestock for sale at saleyards,
- (g) CPPDSM4075A—Select livestock for sale,
- (h) CPPDSM4077A—Sell livestock by private sale,
- (i) CPPDSM4081A—Work in the stock and station agency sector,
- (j) CPPDSM4021A—Sell and finalise sale of rural property by private treaty,
- (k) CPPDSM4067A—Plan for and complete sale of rural property by auction,
- (l) CPPDSM4052A—List and market rural property for sale or lease,
- (m) either CPPDSM4037A—Conduct auction of rural property or CPPDSM4007A—Identify legal and ethical requirements of property management to complete agency work,
- (n) CPPDSM4030A—Appraise rural property,
- (o) CPPDSM4005A—Establish and build client–agency relationships,
- (p) CPPDSM4006A—Establish and manage agency trust accounts,
- (q) CPPDSM4051A—Lease rural property,
- (r) CPPDSM4073A—Provide rural property management services,
- (s) BSBSMB406A—Manage small business finances,

Clause 12 Property, Stock and Business Agents (Qualifications) Order 2009

Part 4 Qualifications for stock and station agent's licence

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- (t) BSBLED401A—Develop teams and individuals,
  - (u) CPPDSM4056A—Manage conflicts and disputes in the property industry.

**12 Recognition of past qualifications required for the issue of a stock and station agent's licence**

A person has the qualifications required for the issue of a stock and station agent's licence if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE08A—Manage efficient financial systems,
  - (ii) PRD01 Unit of Competency PRDRE09A—Implement and monitor financial management systems,
  - (iii) PRD01 Unit of Competency PRDRE10A—Manage agency risk,
  - (iv) PRD01 Unit of Competency PRDRE11A—Provide property appraisal,
  - (v) PRD01 Unit of Competency PRDRE23A—Manage agency–client relationship
  - (vi) PRD01 Unit of Competency PRDRE28A—Maintain trust account,
  - (vii) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (viii) PRD01 Unit of Competency PRDSSA20A—List properties for sale,
  - (ix) PRD01 Unit of Competency PRDSSA21A—Market property for sale,
  - (x) PRD01 Unit of Competency PRDSSA22A—Negotiate sale by private treaty,
  - (xi) PRD01 Unit of Competency PRDSSA23A—Conduct auction sale,
  - (xii) PRD01 Unit of Competency PRDSSA25A—Conduct a sale by tender,
  - (xiii) PRD01 Unit of Competency PRDSSA26A—Administer process to completion or abandonment of sale,
  - (xiv) PRD01 Unit of Competency PRDSSA27A—Lease rural property,

Property, Stock and Business Agents (Qualifications) Order 2009

Clause 12

Qualifications for stock and station agent's licence

Part 4

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- (xv) PRD01 Unit of Competency PRDSSA28A—Manage properties for clients,
  - (xvi) PRD01 Unit of Competency PRDSSA29A—Advise client on sale and purchase alternatives,
  - (xvii) PRD01 Unit of Competency PRDSSA30A—Select stock for sale,
  - (xviii) PRD01 Unit of Competency PRDSSA31A—Prepare stock for sale,
  - (xix) PRD01 Unit of Competency PRDSSA32A—Conduct livestock sale by auction,
  - (xx) PRD01 Unit of Competency PRDSSA33A—Arrange buyer and inspections,
  - (xxi) PRD01 Unit of Competency BSXFMI511A—Contribute to the development of a workplace learning environment,
  - (xxii) New South Wales Module 17320A—Work in the Stock & Station Sector,
  - (xxiii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a stock and station agent's licence at the time of making an application for renewal of the licence, or
  - (c) the person has held a stock and station agent's licence in the 3 months preceding the making of the application for restoration of the licence, or
  - (d) the person has held a stock and station agent's licence in the 12 months preceding the making of an application for the equivalent licence.

Clause 13 Property, Stock and Business Agents (Qualifications) Order 2009

Part 5 Qualifications for business agent's licence

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## Part 5 Qualifications for business agent's licence

### 13 Current qualifications required for the issue of a business agent's licence

A person has the qualifications required for the issue of a business agent's licence if a registered training organisation has issued the person with a CPP40507 Certificate IV in Property Services (Business Broking) demonstrating competency in all of the following units of competency:

- (a) CPPDSM4006A—Establish and manage agency trust account,
- (b) CPPDSM4015A—Manage agency and consumer risk,
- (c) CPPDSM4029A—Appraise business,
- (d) CPPDSM4053A—List business for sale,
- (e) CPPDSM4060A—Negotiate sale and manage sale to completion or settlement,
- (f) CPPDSM4061A—Obtain prospects for listing,
- (g) CPPDSM4069A—Promote and market listed business,
- (h) CPPDSM4079A—Work in the business broking sector,
- (i) BSBL401A—Develop teams and individuals,
- (j) BSBCUS401A—Co-ordinate implementation of customer service strategies,
- (k) BSBSMB406A—Manage small business finances,
- (l) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work.

### 14 Recognition of past qualifications required for the issue of a business agent's licence

A person has the qualifications required for the issue of a business agent's licence if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and modules:
  - (i) PRD01 Unit of Competency PRDBB03A—Appraise business,
  - (ii) PRD01 Unit of Competency PRDBB04A—List business for sale,
  - (iii) PRD01 Unit of Competency PRDBB05A—Promote and market listed businesses,

Property, Stock and Business Agents (Qualifications) Order 2009

Clause 14

Qualifications for business agent's licence

Part 5

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- (iv) PRD01 Unit of Competency PRDBB06A—Negotiate and execute sales,
  - (v) PRD01 Unit of Competency PRDRE08A—Manage efficient financial systems,
  - (vi) PRD01 Unit of Competency PRDRE09A—Implement and monitor financial management systems,
  - (vii) PRD01 Unit of Competency PRDBB9A—Manage agency risk,
  - (viii) PRD01 Unit of Competency PRDRE23A—Maintain agency–client relationship,
  - (ix) PRD01 Unit of Competency PRDRE28A—Maintain trust account,
  - (x) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (xi) PRD01 Unit of Competency BSXFMI511A—Contribute to the development of a workplace learning environment,
  - (xii) New South Wales Module 17322A—Work in the Business Broking Sector,
  - (xiii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a business agent's licence at the time of making an application for renewal of the licence, or
  - (c) the person has held a business agent's licence in the 3 months preceding the making of an application for restoration of the licence, or
  - (d) the person has held a business agent's licence in the 12 months preceding the making of an application for the equivalent licence.



Clause 15	Property, Stock and Business Agents (Qualifications) Order 2009
Part 6	Qualifications for strata managing agent's licence

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## Part 6 Qualifications for strata managing agent's licence

### 15 Current qualifications required for the issue of a strata managing agent's licence

A person has the qualifications required for the issue of a strata managing agent's licence if a registered training organisation has issued the person with a qualification demonstrating:

- (a) successful completion of a CPP40609 Certificate IV in Property Services (Operations) demonstrating competency in all of the following units of competency:
  - (i) BSBREL401A—Establish networks,
  - (ii) CPPDSM4028A—Identify and analyse risks and opportunities in the property industry,
  - (iii) CPPDSM4044A—Coordinate maintenance and repair of properties and facilities,
  - (iv) CPPDSM4047A—Implement and monitor procurement process,
  - (v) CPPDSM4048A—Implement customer service strategies in the property industry,
  - (vi) CPPDSM4057A—Monitor a safe workplace in the property industry,
  - (vii) CPPDSM4063A—Participate in developing and establishing property or facilities contracts,
  - (viii) CPPDSM4072A—Provide leadership in the property industry,
  - (ix) BSBLED401A—Develop teams and individuals,
  - (x) BSBFIA402A—Report on financial activity,
  - (xi) BSBRKG304B—Maintain business records,
  - (xii) BSBSMB402A—Plan small business finances,
  - (xiii) BSBSMB406A—Manage small business finances,
  - (xiv) CPPDSM4006A—Establish and manage agency trust accounts,
  - (xv) CPPDSM4034A—Assess and implement strata/community management agreement,
  - (xvi) CPPDSM4045A—Facilitate meetings in the property industry,
  - (xvii) CPPDSM4056A—Manage conflict and disputes in the property industry,

Property, Stock and Business Agents (Qualifications) Order 2009	Clause 16
Qualifications for strata managing agent's licence	Part 6

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- (xviii) CPPDSM4074A—Select and appoint contractors in the property industry, and
- (b) successful completion of each of the following units of competency from the Certificate III in Property Services (Operations):
  - (i) CPPDSM3019A—Communicate with clients as part of agency operations,
  - (ii) CPPDSM3016A—Work in the property industry,
  - (iii) CPPDSM3017A—Work in the strata/community management sector.

**16 Recognition of past qualifications required for the issue of a strata managing agent's licence**

A person has the qualifications required for the issue of a strata managing agent's licence if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a qualification demonstrating successful completion of NSW Course No 9674—Certificate IV in Property (Strata Management), or
- (b) the person holds a strata managing agent's licence at the time of making an application for renewal of the licence, or
- (c) the person has held a strata managing agent's licence in the 3 months preceding the making of an application for restoration of the licence, or
- (d) the person has held a strata managing agent's licence in the 12 months preceding the making of an application for the equivalent licence.

Clause 17 Property, Stock and Business Agents (Qualifications) Order 2009

Part 7 Qualifications for on-site residential property manager's licence

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## **Part 7 Qualifications for on-site residential property manager's licence**

### **17 Current qualifications required for the issue of an on-site residential property manager's licence**

A person has the qualifications required for the issue of an on-site residential property manager's licence if a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency:

- (a) CPPDSM4005A—Establish and build client–agency relationships,
- (b) CPPDSM4006A—Establish and manage agency trust account,
- (c) CPPDSM4007A—Identify legal and ethical requirements of property management,
- (d) CPPDSM4010A—Lease property,
- (e) CPPDSM4015A—Minimise agency and consumer risk,
- (f) CPPDSM4016A—Monitor and manage lease or tenancy agreement,
- (g) CPPDSM4080A—Work in the real estate industry,
- (h) CPPDSM3019A—Communicate with clients as part of agency operations,
- (i) BSBRKG304B—Maintain business records,
- (j) BSBLED401A—Develop teams and individuals.

### **18 Recognition of past qualifications required for the issue of an on-site residential property manager's licence**

A person has the qualifications required for the issue of an on-site residential property manager's licence if:

- (a) in the case of an application for a licence made before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and module:
  - (i) PRD01 Unit of Competency PRDRE10A—Manage agency risk,
  - (ii) PRD01 Unit of Competency PRDRE18A—Lease property,
  - (iii) PRD01 Unit of Competency PRDRE19A—Provide property management services,

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Property, Stock and Business Agents (Qualifications) Order 2009	Clause 18
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- (iv) PRD01 Unit of Competency PRDRE23A—Maintain agency–client relationship,
  - (v) PRD01 Unit of Competency PRDRE25A—Respond to property enquiry,
  - (vi) PRD01 Unit of Competency PRDRE28A—Maintain trust account,
  - (vii) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (viii) PRD01 Unit of Competency BSAFIN301B—Maintain daily financial records for accounting purposes,
  - (ix) PRD01 Unit of Competency BSXFMI511A—Contribute to the development of a workplace learning environment,
  - (x) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds an on-site residential property manager's licence at the time of making an application for renewal of the licence, or
  - (c) the person has held an on-site residential property manager's licence in the 3 months preceding the making of an application for restoration of the licence, or
  - (d) the person has held an on-site residential property manager's licence in the 12 months preceding the making of an application for the equivalent licence.

Clause 19 Property, Stock and Business Agents (Qualifications) Order 2009

Part 8 Qualifications for certificate of registration as a real estate salesperson

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## **Part 8 Qualifications for certificate of registration as a real estate salesperson**

### **19 Current qualifications required for the issue of a certificate of registration as a real estate salesperson**

A person has the qualifications required for the issue of a certificate of registration as a real estate salesperson if a registered training organisation has issued the person with statement of attainment demonstrating competency in all of the following units of competency:

- (a) CPPDSM3019A—Communicate with clients as part of agency operations,
- (b) CPPDSM4080A—Work in the real estate industry,
- (c) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work,
- (d) CPPDSM4007A—Identify legal and ethical requirements of property management.

### **20 Recognition of past qualifications required for the issue of a certificate of registration as a real estate salesperson**

A person has the qualifications required for the issue of a certificate of registration as a real estate salesperson if:

- (a) in the case of a certificate of registration applied for before 1 January 2011, a registered training organisation issued the person with a statement of attainment or a qualification demonstrating the person has successfully completed the following unit of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (ii) New South Wales Module 17319A—Work in the Real Estate Sector,
  - (iii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a certificate of registration as a real estate salesperson at the time of making the application for renewal of the certificate of registration, or
- (c) the person has held a certificate of registration as a real estate salesperson in the 3 months preceding the making of an application for restoration of the certificate of registration, or
- (d) the person has held a certificate of registration as a real estate salesperson in the 12 months preceding the making of an application for the equivalent certificate of registration, or

Property, Stock and Business Agents (Qualifications) Order 2009	Clause 20
Qualifications for certificate of registration as a real estate salesperson	Part 8

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- (e) the person has the qualifications required by clause 7 or 8 for the issue of a real estate agent's licence.

Clause 21	Property, Stock and Business Agents (Qualifications) Order 2009
Part 9	Qualifications for certificate of registration as a stock and station salesperson

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## **Part 9 Qualifications for certificate of registration as a stock and station salesperson**

### **21 Current qualifications required for the issue of a certificate of registration as a stock and station salesperson**

A person has the qualifications required for the issue of a certificate of registration as a stock and station salesperson if a registered training organisation has issued the person with a statement of attainment or qualification demonstrating competency in all of the following units of competency:

- (a) CPPDSM3019A—Communicate with clients as part of agency operations,
- (b) CPPDSM4081A—Work in the stock and station agency sector,
- (c) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work.

### **22 Recognition of past qualifications required for the issue of a certificate of registration as a stock and station salesperson**

A person has the qualifications required for the issue of a certificate of registration as a stock and station salesperson if:

- (a) in the case of a certificate of registration applied for before 1 January 2011, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating the person has successfully completed the following unit of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (ii) New South Wales Module 17320A—Work in the stock and station sector,
  - (iii) New South Wales Module 17319B—Prepare for work in the property industry, or
- (b) the person holds a certificate of registration as a stock and station salesperson at the time of making an application for renewal of the certificate of registration, or
- (c) the person has held a certificate of registration as a stock and station salesperson in the 3 months preceding the making of an application for restoration of the certificate of registration, or
- (d) the person has held a certificate of registration as a stock and station salesperson in the 12 months preceding the making of an application for the equivalent certificate of registration, or

Property, Stock and Business Agents (Qualifications) Order 2009

Clause 22

Qualifications for certificate of registration as a stock and station  
salesperson

Part 9

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- (e) the person has the qualifications required by clause 11 or 12 for the issue of a stock and station agent's licence.



Clause 23 Property, Stock and Business Agents (Qualifications) Order 2009

Part 10 Qualifications for certificate of registration as a business salesperson

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## **Part 10 Qualifications for certificate of registration as a business salesperson**

### **23 Current qualifications required for the issue of a certificate of registration as a business salesperson**

A person has the qualifications required for the issue of a certificate of registration as a business salesperson if a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency:

- (a) CPPDSM3019A—Communicate with clients as part of agency operations,
- (b) CPPDSM4079A—Work in the business broking sector,
- (c) CPPDSM4008A—Identify legal and ethical requirements of property sales to complete agency work.

### **24 Recognition of past qualifications required for the issue of a certificate of registration as a business salesperson**

A person has the qualifications required for the issue of a certificate of registration as a business salesperson if:

- (a) in the case of a certificate of registration applied for before 1 January 2011, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating the person has successfully completed the following unit of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (ii) New South Wales Module 17322A—Work in the Business Broking Sector,
  - (iii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a certificate of registration as a business salesperson at the time of making an application for renewal of the certificate of registration, or
- (c) the person held a certificate of registration as a business salesperson in the 3 months preceding the making of an application for restoration of the certificate of registration, or
- (d) the person held a certificate of registration as a business salesperson in the 12 months preceding the making of an application for the equivalent certificate of registration, or

Property, Stock and Business Agents (Qualifications) Order 2009	Clause 24
Qualifications for certificate of registration as a business salesperson	Part 10

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- (e) the person has the qualifications required by clause 13 or 14 for the issue of a business agent's licence.

Clause 25	Property, Stock and Business Agents (Qualifications) Order 2009
Part 11	Qualifications for certificate of registration as a registered strata manager or registered community manager

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## **Part 11 Qualifications for certificate of registration as a registered strata manager or registered community manager**

### **25 Current qualifications required for the issue of a certificate of registration as a registered strata manager or registered community manager**

A person has the qualifications required for the issue of a certificate of registration as a registered strata manager or registered community manager if a registered training organisation has issued the person with statement of attainment or a qualification demonstrating the person has successfully completed all of the following units of competency:

- (a) CPP07 Unit of Competency CPPDSM3019A—Communicate with clients as part of agency operations,
- (b) CPP07 Unit of Competency CPPDSM3017A—Work in the strata/community management sector,
- (c) CPP07 Unit of Competency CPPDSM3016A—Work in the property industry.

### **26 Recognition of past qualifications required for the issue of a certificate of registration as a registered strata manager or registered community manager**

A person has the qualifications required for the issue of a certificate of registration as a registered strata manager or registered community manager if:

- (a) in the case of a certificate of registration applied for before 1 January 2011, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in all of the following units of competency and modules:
  - (i) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (ii) New South Wales Module 17321A—Work in the Strata Management Sector,
  - (iii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a certificate of registration as a registered strata manager or registered community manager at the time of making an application for renewal of the certificate of registration, or
- (c) the person has held a certificate of registration as a registered strata manager or registered community manager in the 3 months

Property, Stock and Business Agents (Qualifications) Order 2009	Clause 26
Qualifications for certificate of registration as a registered strata manager or registered community manager	Part 11

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- preceding the making of an application for restoration of the certificate of registration, or
- (d) the person held a certificate of registration as a registered strata manager or registered community manager in the 12 months preceding the making of an application for the equivalent certificate of registration, or
  - (e) the person has the qualifications required by clause 15 or 16 for the issue of a strata managing agent's licence.

Clause 27	Property, Stock and Business Agents (Qualifications) Order 2009
Part 12	Qualifications for certificate of registration as a registered on-site residential property manager

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## **Part 12 Qualifications for certificate of registration as a registered on-site residential property manager**

### **27 Current qualifications required for the issue of a certificate of registration as a registered on-site residential property manager**

A person has the qualifications required for the issue of a certificate of registration as a registered on-site residential property manager if a registered training organisation has issued the person with a statement of attainment or qualification demonstrating competency in all of the following units of competency:

- (a) CPPDSM3019A—Communicate with clients as part of agency operations,
- (b) CPPDSM4080A—Work in the real estate industry,
- (c) CPPDSM3016A—Identify legal and ethical requirements of property management.

### **28 Recognition of past qualifications required for the issue of a certificate of registration as a registered on-site residential property manager**

A person has the qualifications required for the issue of a certificate of registration as a registered on-site residential property manager if:

- (a) in the case of a certificate of registration applied for before 1 January 2011, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating the person has successfully completed the following unit of competency and module:
  - (i) PRD01 Unit of Competency PRDRE35A—Communicate effectively and accurately with clients,
  - (ii) New South Wales Module 17319B—Prepare for work in property industry, or
- (b) the person holds a certificate of registration as a registered on-site residential property manager at the time of making an application for renewal of the certificate of registration, or
- (c) the person held a certificate of registration as a registered on-site residential property manager in the 3 months preceding the making of an application for restoration of the certificate of registration, or
- (d) the person held a certificate of registration as a registered on-site residential property manager in the 12 months preceding the making of an application for the equivalent certificate of registration, or

Property, Stock and Business Agents (Qualifications) Order 2009                      Clause 28

Qualifications for certificate of registration as a registered on-site residential  
property manager                      Part 12

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- (e) the person has the qualifications required by clause 17 or 18 for the issue of an on-site residential property manager's licence.



New South Wales

## **Property, Stock and Business Agents (Auctioneers Qualifications) Order 2009**

under the

**Property, Stock and Business Agents Act 2002**

I, the Commissioner for Fair Trading, Department of Commerce, in pursuance of section 21 of the *Property, Stock and Business Agents Act 2002*, make the following Order.

Dated, this 15th day of June 2009.

LYN BAKER,  
Commissioner for Fair Trading, Department of Commerce

### **Explanatory note**

The object of this Order is to update the qualifications required for the accreditation of the holder of a real estate agent's licence or stock and station agent's licence as an auctioneer. The holders of existing accreditation will continue to have their qualifications recognised. This Order is made under section 21 of the *Property, Stock and Business Agents Act 2002*.

Property, Stock and Business Agents (Auctioneers Qualifications) Order 2009

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Property, Stock and Business Agents (Auctioneers Qualifications) Order  
2009

Clause 1

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## Property, Stock and Business Agents (Auctioneers Qualifications) Order 2009

under the

Property, Stock and Business Agents Act 2002

### 1 Name of Order

This Order is the *Property, Stock and Business Agents (Auctioneers Qualifications) Order 2009*.

### 2 Commencement

This Order commences on the day on which it is published in the Gazette.

### 3 Definitions

In this Order:

**registered training organisation** has the same meaning as in the *Vocational Education and Training Act 2005*.

**the Act** means the *Property, Stock and Business Agents Act 2002*.

### 4 Approved qualification in respect of real estate agent's licence

For the purposes of section 21 of the Act, the holder of a real estate agent's licence has approved qualifications for accreditation as an auctioneer if:

- (a) a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in both of the following units of competency:
  - (i) CPPDSM4004A—Conduct auction,
  - (ii) CPPDSM4019A—Prepare for auction and complete sale,  
or
- (b) before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in PRD01 Unit of Competency PRDRE26A—Conduct property sale by auction.

Clause 5 Property, Stock and Business Agents (Auctioneers Qualifications) Order 2009

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### **5 Approved qualification in respect of stock and station agent's licence**

For the purposes of section 21 of the Act, the holder of a stock and station agent's licence has approved qualifications for accreditation as an auctioneer if:

- (a) a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in both of the following units of competency:
  - (i) CPPDSM4039A—Conduct livestock sale by auction,
  - (ii) CPPDSM4037A—Conduct auction of rural property, or
- (b) before 1 June 2012, a registered training organisation has issued the person with a statement of attainment or a qualification demonstrating competency in both of the following units of competency:
  - (i) PRD01 Unit of Competency PRDSSA23A—Conduct auction sale,
  - (ii) PRD01 Unit of Competency PRDSSA32A—Conduct livestock sale by auction.

### **6 Underpinning knowledge based on New South Wales law**

The underpinning knowledge for a unit of competency from the Property Services Training Package (CPP07), or the Property Development and Management Training Package (PRD01), must be based on New South Wales law for the unit of competency to be included in a qualification approved by this Order.

### **7 Repeal**

The *Property, Stock and Business Agents (Auctioneers Qualifications) Order 2003* is repealed.

# OFFICIAL NOTICES

## Department of Lands

### ARMIDALE OFFICE

108 Faulkner Street (PO Box 199A), Armidale NSW 2350  
 Phone: (02) 6770 3100 Fax (02) 6771 5348

#### ROADS ACT 1993

##### ORDER

Transfer of Crown Roads to a Council

IN pursuance of the provisions of section 151, Roads Act 1993, the Crown public roads specified in each Schedule 1 are transferred to the Roads Authority specified in the corresponding Schedule 2 hereunder, as from the date of publication of this notice and as from that date, the roads specified in each Schedule 1, cease to be Crown public roads.

TONY KELLY, M.L.C.,  
 Minister for Lands

##### SCHEDULE 1

*City and Parish – Armidale; County – Sandon;  
 Land District – Armidale; L.G.A. – Armidale Dumaresq*

The Crown roads, 20.115 metres wide, 15 metres wide and variable, known as; Ash Tree Drive, between Erskine Street and Baird Place; Blake Street, between O'Dell Street (North) and Jackes Street; Butler Street, between Trim Street and Donnelly Street; Claude Street, between Elm Avenue and Armidale NH 15 Bypass; Cookes Road, between Mann Street and Long Swamp Road; Drew Street, between Mott Street and McLennan Street; Erskine Street, between Niagara Street and O'Dell Street; Erskine Street, between Markham Street and Dangar Street; Galloway Street between Burgess Street and Butler Street; Galloway Street between Markham Street and Allingham Street; Mann Street between Canambe Street and Castledoyle Road; Martin Street, between Claude Street and Queen Elizabeth Drive; Mott Street, between Bundarra Road and Drew Street; Murray Avenue, between Markham Street and Judith Street; Richardson Avenue, between Glen Innes Road and Rockvale Road; Simmons Street, between Canambe Street and McBean Avenue; St Johns Avenue, extending south west from Bundarra Road to Lot 22, DP 112882; Thompson Street, between Perrott Street and Judith Street.

##### SCHEDULE 2

Roads Authority: Armidale Dumaresq Council.

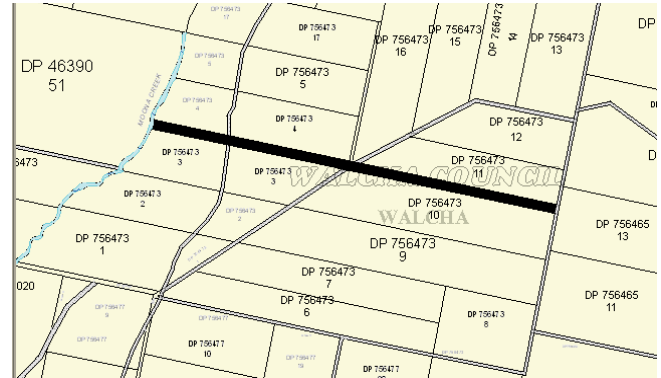
File No.: 09/02207.

Councils Reference: A09/4493:John Tooke.

##### SCHEDULE 1

*Parish – Ella; County – Vernon;  
 Land District – Walcha; L.G.A. – Walcha*

The Crown road 60.35 metres wide, at Walcha, as shown by solid black shading on the diagram hereunder.



##### SCHEDULE 2

Roads Authority: Walcha Council.

File No.: 09/02207, W452227.

Councils Reference: Samantha Smith.

#### AUTHORISATION OF ADDITIONAL PURPOSE

IT is hereby notified pursuant to section 121A of the Crown Lands Act 1989, that the additional purpose specified in Column 1 of the Schedule hereunder, is applied to the reserve specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
 Minister for Lands

##### SCHEDULE

###### Column 1

Accommodation.

###### Column 2

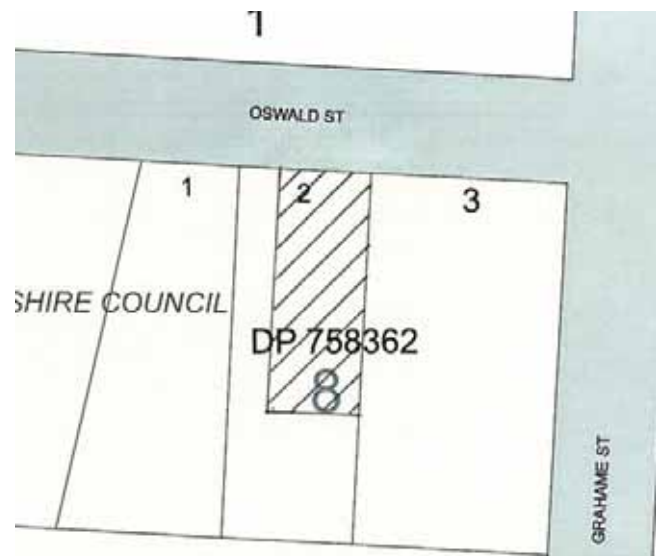
Part Reserve No.: 91271.

Public Purpose: Public recreation.

Notified: 3 November 1978.

File No.: AE89 R 13.

Note: Shown by hatching on the diagram hereunder.



**ESTABLISHMENT OF A RESERVE TRUST**

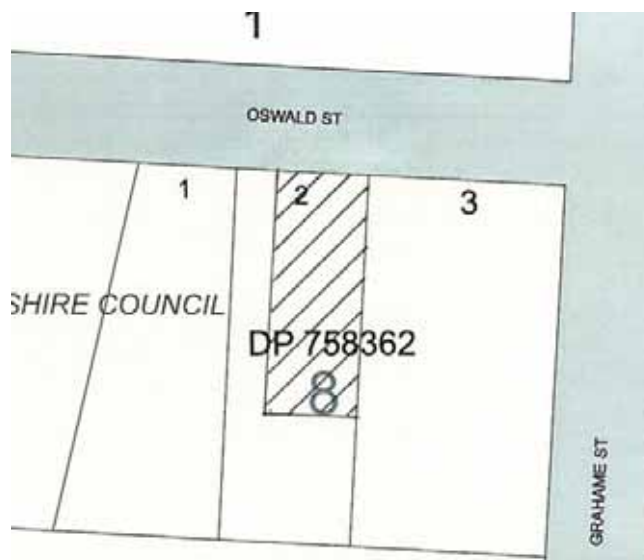
PURSUANT to section 92(1) of the Crown Lands Act 1989, the reserve trust specified in Column 1 of the Schedule hereunder, is established under the name stated in that Column and is appointed as trustee of the reserve specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>
The Greyscall Homes (R95687) Reserve Trust.	Part Reserve No.: 91271. Public Purpose: Accommodation. Notified: This day. File No.: AE89 R 13.

Note: Shown by hatching on the diagram hereunder.



**BOARD OF SURVEYING AND SPATIAL INFORMATION**  
**Panorama Avenue (PO Box 143), Bathurst NSW 2795**  
**Phone: (02) 6332 8238 Fax: (02) 6332 8240**

**SURVEYING ACT 2002**

## Registration of Surveyors

PURSUANT to the provisions of the Surveying Act 2002, section 10 (1) (a), the undermentioned persons have been Registered as Land Surveyors in New South Wales from the dates shown.

<i>Name</i>	<i>Address</i>	<i>Effective Date</i>
Ryan Todd ALEXANDER.	9 Alton Close, Raymond Terrace NSW 2324.	26 May 2009.

W. A. WATKINS,  
President

S. G. GLENCORSE,  
Registrar

**SURVEYING ACT 2002**

## Restoration of Name to the Register of Surveyors

PURSUANT to the provisions of the Surveying Act 2002, section 10 (1) (a), the undermentioned Land Surveyor has been restored to the Register of Surveyors.

<i>Name</i>	<i>Date of Original Registration</i>	<i>Removal Date</i>	<i>Restoration Date</i>
Craig John WHITE.	23 July 1999.	1 September 2006.	4 May 2009.

W. A. WATKINS,  
President

S. G. GLENCORSE,  
Registrar

**DUBBO OFFICE**  
**142 Brisbane Street (PO Box 865), Dubbo NSW 2830**  
**Phone: (02) 6883 3300 Fax: (02) 6882 6920**

**NOTIFICATION OF CLOSING OF ROADS**

IN pursuance of the provisions of the Roads Act 1993, the roads hereunder specified are closed and the lands comprised therein are freed and discharged from any rights of the public or any other person to the same as highways.

TONY KELLY, M.L.C.,  
 Minister for Lands

Description

*Local Government Area of Warrumbungle;  
 Land District of Coonabarabran*

Lot 1, DP 1132302, Parish of Neible, County of Napier (not being land under the Real Property Act).

File No.: 08/5873.

Note: On closing, the title for Lot 1 shall vest in the State of New South Wales as Crown Land.

**GOULBURN OFFICE**

**159 Auburn Street (PO Box 748), Goulburn NSW 2580**  
**Phone: (02) 4824 3700 Fax: (02) 4822 4287**

**NOTIFICATION OF CLOSING OF A ROAD**

IN pursuance of the provisions of the Roads Act 1993, the roads hereunder described are closed and the lands comprised therein cease to be public roads and the rights of passage and access that previously existed in relation to the roads are extinguished. Upon closing, titles to the lands, comprising the former public roads, vests in the body specified in the Schedules hereunder.

TONY KELLY, M.L.C.,  
 Minister for Lands

SCHEDULE 1

Description

*Parish – Wallgrove; County – Wallace;  
 Land District – Cooma; L.G.A. – Snowy River*

Lots 1 and 2, DP 1138819 (not being land under the Real Property Act).

File No.: GB05 H 114:JK.

Note: On closing, the title for the land in Lots 1 and 2, DP 1138819 remains vested in the State of New South Wales as Crown Land.

SCHEDULE 2

Description

*Parish – Nattery; County – Argyle;  
 Land District – Goulburn; L.G.A. – Goulburn Mulwaree*

Lot 1, DP 1138817 (not being land under the Real Property Act).

File No.: GB05 H 222:JK.

Note: On closing, the titles for the land in Lot 1, DP 1138817 remain vested in the State of New South Wales as Crown Land.

SCHEDULE 3

Description

*Parish – Jinglemoney; County – Murray;  
 Land District – Braidwood; L.G.A. – Palerang*

Lot 1, DP 1137676 (not being land under the Real Property Act).

File No.: GB05 H 232:JK.

Note: On closing, the title for the land in Lot 1, DP 1137676 remains vested in the State of New South Wales as Crown Land.

**GRAFTON OFFICE**  
**76 Victoria Street (Locked Bag 10), Grafton NSW 2460**  
**Phone: (02) 6640 3400 Fax: (02) 6642 5375**

**ERRATUM**

*Land District – Murwillumbah; Council – Tweed*

THE notification appearing in the *New South Wales Government Gazette* of 25 October 1996, Folio 7149, under the heading "Appointment of Trustee" in respect of trust, in Schedule 1, replace "Jack Evans Boat Harbour Reserve Trust" with, "Tweed Heads Jack Evans Boat Harbour Reserve Trust".

File No.: GF05 R 40.

TONY KELLY, M.L.C.,  
Minister for Lands

**NOTIFICATION OF CLOSING OF ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished. On road closing, title to the land comprising the former public road vests in the body specified in the Schedule hereunder.

TONY KELLY, M.L.C.,  
Minister for Lands

## Description

*Land District – Lismore; L.G.A. – Lismore*

Road Closed: Lot 1, DP 1133256 at Bexhill, Parish Bexhill, County Rous.

File No.: GF06 H 581.

## Schedule

On closing, the land within Lot 1, DP 1133256 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Bellingen; L.G.A. – Bellingen*

Road Closed: Lots 1, 2 and 3, DP 1138808 at North Dorrigo, Parish Leigh, County Fitzroy.

File Nos: 07/5174, 07/5095, GF05 H 343.

## Schedule

On closing, the land within Lots 1, 2 and 3, DP 1138808 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Murwillumbah; L.G.A. – Byron*

Road Closed: Lot 1, DP 1138807 at Myocum, Parish Brunswick, County Rous.

File No.: GF05 H 352.

## Schedule

On closing, the land within Lot 1, DP 1138807 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Grafton; L.G.A. – Clarence Valley*

Road Closed: Lot 1, DP 1138416 at Southgate, Parish Southgate, County Clarence.

File No.: GF05 H 420.

## Schedule

On closing, the land within Lot 1, DP 1138416 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Grafton; L.G.A. – Clarence Valley Council*

Road Closed: Lots 1 and 2, DP 1136772 at Lawrence, Parish Lawrence, County Clarence.

File No.: GF05 H 576.

## Schedule

On closing, the land within Lots 1 and 2, DP 1136772 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Grafton; L.G.A. – Clarence Valley*

Road Closed: Lot 1, DP 1132540 at Halfway Creek, Parish Dundoo, County Clarence.

File No.: GF05 H 302.

## Schedule

On closing, the land within Lot 1, DP 1132540 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Grafton; L.G.A. – Clarence Valley*

Road Closed: Lot 1, DP 1132970 at Goodwood Island, Parish Harwood, County Clarence.

File No.: GF05 H 369.

## Schedule

On closing, the land within Lot 1, DP 1132970 remains vested in the State of New South Wales as Crown Land.

## Description

*Land District – Bellingen; L.G.A. – Nambucca*

Road Closed: Lot 2, DP 1136804 at Valla, Parish Valley Valley, County Raleigh.

File No.: 08/10168.

## Schedule

On closing, the land within Lot 2, DP 1136804 remains vested in the State of New South Wales as Crown Land.

**HAY OFFICE**  
**126 Lachlan Street (PO Box 182), Hay NSW 2711**  
**Phone: (02) 6990 1800 Fax: (02) 6993 1135**

**NOTIFICATION OF CLOSING OF PUBLIC ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished. On road closure, title to the land comprising the former public road vests in the body specified in the Schedules hereunder.

TONY KELLY, M.L.C.,  
 Minister for Lands

**SCHEDULE 1**

## Description

*Land District of Deniliquin; L.G.A. – Jerilderie*

Lot 1 in DP 1136238, Parish of Coree South, County of Urana.

File No.: HY00 H 43.

Note: On closing, title for the land comprised in Lot 1, DP 1136238 remains vested in the State of New South Wales as Crown Land.

**SCHEDULE 2**

## Description

*Land District of Deniliquin; L.G.A. – Conargo*

Lot 1 in DP 1132301, Parish of Blackwood, County of Townsend.

File No.: HY87 H 424.

Note: On closing, title for the land comprised in Lot 1, DP 1132301 remains vested in the State of New South Wales as Crown Land.

**SCHEDULE 3**

## Description

*Land District of Hillston; L.G.A. – Carrathool*

Lot 1 in DP 1136236, Parish of Synnot, County of Nicholson.

File No.: 07/5803.

Note: On closing, title for the land comprised in Lot 1, DP 1136236 remains vested in the State of New South Wales as Crown Land.

**SCHEDULE 4**

## Description

*Land District of Balranald South; L.G.A. – Wakool*

Lots 1 and 2 in DP 1135230, Parish of Toolmah, County of Wakool.

File No.: HY03 H 87.

Note: On closing, title for the land comprised in Lots 1 and 2, DP 1135230 remains vested in the State of New South Wales as Crown Land.



**MAITLAND OFFICE**

**Corner Newcastle Road and Banks Street (PO Box 6), East Maitland NSW 2323**

**Phone: (02) 4937 9306      Fax: (02) 4934 8417**

**NOTIFICATION OF CLOSING OF PUBLIC ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished. On road closing, title to the land comprising the former public road vests in the body specified in the Schedule hereunder.

TONY KELLY, M.L.C.,  
Minister for Lands

Description

*Parish – Wambo; County – Hunter;  
Land District – Singleton; L.G.A. – Singleton*

Road Closed: Lots 1 and 2, DP 1134113 (not being land under the Real Property Act).

File No.: MD05 H 89.

Schedule

On closing, the land within Lots 1 and 2, DP 1134113 remains vested in the State of New South Wales as Crown Land.

Description

*Parish – Mirannie; County – Durham;  
Land District – Singleton; L.G.A. – Singleton*

Road Closed: Lot 1, DP 1135244 (not being land under the Real Property Act).

File No.: MD06 H 80.

Schedule

On closing, the land within Lot 1, DP 1135244 remains vested in the State of New South Wales as Crown Land.

Description

*Parish – Shenstone; County – Durham;  
Land District – Singleton; L.G.A. – Singleton*

Road Closed: Lot 1, DP 1132317 (not being land under the Real Property Act).

File No.: MD06 H 98.

Schedule

On closing, the land within Lot 1, DP 1132317 remains vested in the State of New South Wales as Crown Land.



**MOREE OFFICE****Frome Street (PO Box 388), Moree NSW 2400****Phone: (02) 6750 6400 Fax: (02) 6752 1707****NOTIFICATION OF CLOSING OF A ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be public road and the rights of passage and access that previously existed in relation to the road is extinguished.

TONY KELLY, M.L.C.,  
Minister for Lands

**Description**

*Land District – Warialda; Council – Gwydir;  
Parish – Baroma; County – Burnett*

Road Closed: Lot 1 in DP 1131911.

File No.: ME06 H 268.

Note: On closing, the land within Lot 1 in DP 1131911 remains vested in the State of New South Wales as Crown Land.

**ESTABLISHMENT OF RESERVE TRUST**

PURSUANT to section 92(1) of the Crown Lands Act 1989, the reserve trust specified in Column 1 of the Schedule hereunder, is established under the name stated in that Column and is appointed as trustee of the reserve specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>
Bullarah Rural Fire Service (R1017489) Reserve Trust.	Reserve No.: 1017489. Public Purpose: Rural services. Notified: This day. File No.: 08/10961.

**APPOINTMENT OF CORPORATION TO MANAGE RESERVE TRUST**

PURSUANT to section 95 of the Crown Lands Act 1989, the corporation specified in Column 1 of the Schedule hereunder, is appointed to manage the affairs of the reserve trust specified opposite thereto in Column 2, which is trustee of the reserve referred to in Column 3 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Moree Plains Shire Council.	Bullarah Rural Fire Service (R1017489) Reserve Trust.	Reserve No.: 1017489. Public Purpose: Rural services. Notified: This day. File No.: 08/10961.

For a term commencing this day.

**RESERVATION OF CROWN LAND**

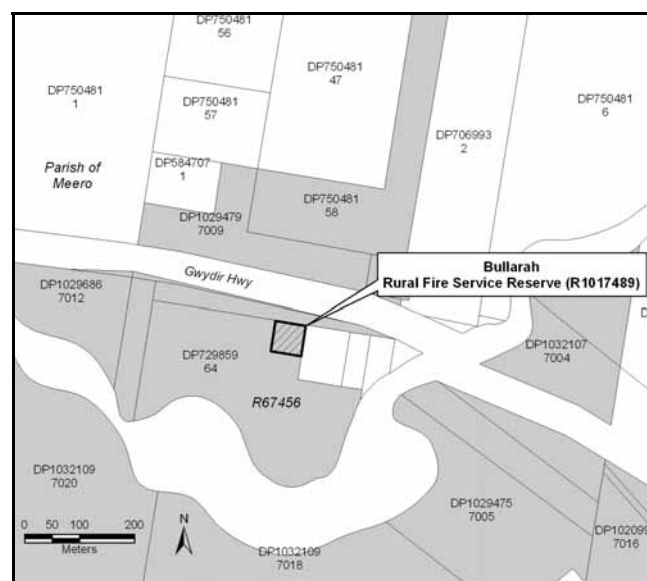
PURSUANT to section 87 of the Crown Lands Act 1989, the Crown Land specified in Column 1 of the Schedule hereunder, is reserved as specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>
Land District: Moree. Local Government Area: Moree Plains Shire Council. Locality: Bullarah. Lot PT 64, DP No. 729859, Parish Meroe, County Benarba. Area: About 5000 square metres. File No.: 08/10961.	Reserve No.: 1017489. Public Purpose: Rural Services.

Note: This reservation does not revoke any current reserves within this area. Location of Reserve 1017489 shown by hatching on diagram hereunder.



**NOWRA OFFICE****5 O'Keefe Avenue (PO Box 309), Nowra NSW 2541****Phone: (02) 4428 9100 Fax: (02) 4421 2172****ERRATUM**

*Land District – Kiama;  
Council – Municipality of Kiama and the  
City of Shellharbour*

THE notification appearing in the Nowra Office section of the Department of Lands in the *New South Wales Government Gazette* of 5 June 2009, Folio 2556, under the heading "Reservation of Crown Land" in respect of Column 2 of the Schedule, delete the word "and" between the words "surfing" and "recreation".

File No.: 09/06493.

**NOTIFICATION OF CLOSING OF ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be public road and the rights of passage and access that previously existed in relation to the road is extinguished. On road closing, title to the land comprising the former public road vests in the body specified in the Schedules hereunder.

TONY KELLY, M.L.C.,  
Minister for Lands

## Description

*Parishes – Gnupa and Yowaka; County – Auckland;  
Land District – Bega;  
Local Government Area – Bega Valley*

Road Closed: Lot 1, DP 1132359 at Lochiel.

File No.: NA06 H 171.

## Schedule

On closing, the land within Lot 1, DP 1132359 remains vested in the State of New South Wales as Crown Land.

## Description

*Parish – Wandella; County – Dampier  
Land District – Bega;  
Local Government Area – Bega Valley*

Road Closed: Lot 1, DP 1138470 at Wandella.

File No.: NA07 H 158.

## Schedule

On closing, the land within Lot 1, DP 1138470 remains vested in the State of New South Wales as Crown Land.

## Description

*Parish – Albert; County – St Vincent;  
Land District – Nowra;  
Local Government Area – Shoalhaven*

Road Closed: Lot 1, DP 1138504 at Brooman.

File No.: 07/6099.

## Schedule

On closing, the land within Lot 1, DP 1138504 remains vested in the State of New South Wales as Crown Land.

## Description

*Parish – Colombo; County – Auckland;  
Land District – Bega;  
Local Government Area – Bega Valley*

Road Closed: Lot 1, DP 1136498 subject to easement created by Deposited Plan 1136498 at Bemboka.

File No.: NA07 H 11.

## Schedule

On closing, the land within Lot 1, DP 1136498 remains vested in the State of New South Wales as Crown Land.

## Description

*Parish – Mookerwah; County – Auckland;  
Land District – Bega;  
Local Government Area – Bega Valley*

Road Closed: Lot 1, DP 1138094 at Brogo.

File No.: NA07 H 105.

## Schedule

On closing, the land within Lot 1, DP 1138094 remains vested in the State of New South Wales as Crown Land.

**REVOCATION OF RESERVATION OF CROWN LAND**

PURSUANT to section 90 of the Crown Lands Act 1989, the reservation of Crown Land specified in Column 1 of the Schedule hereunder, is revoked to the extent specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

## SCHEDULE

<i>Column 1</i>	<i>Column 2</i>
Land District: Kiama. Local Government Area: Wollongong City Council. Locality: Bulli Pass. Reserve No.: 67711. Public Purpose: Public recreation. Notified: 1 July 1938. Lot 7004, DP No. 92952, Parish Southend, County Cumberland. Lot 7005, DP No. 92952, Parish Southend, County Cumberland. Lot 2, section 9, DP No. 2281, Parish Southend, County Cumberland. Lot 13, DP No. 752054, Parish Southend, County Cumberland. Lot 14, DP No. 752054, Parish Southend, County Cumberland. Lot 38, DP No. 752054, Parish Southend, County Cumberland. Lot PT 1, DP No. 186921, Parish Southend, County Cumberland.	The part being Lot 2, section 9, DP No. 2281, Parish Southend, County Cumberland, of an area of 967 square metres.

*Column 1*

Lot PT 1, DP No. 312595,  
Parish Southend, County Cumberland.  
Lot PT 2, DP No. 312595,  
Parish Southend, County Cumberland.  
Lot 3, DP No. 178221,  
Parish Southend, County Cumberland.  
File No.: NA81 R 239/13.

*Column 2***ADDITION TO RESERVED CROWN LAND**

PURSUANT to section 88 of the Crown Lands Act 1989, the Crown Land specified in Column 1 of the Schedule hereunder, is added to the reserved land specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**DISSOLUTION OF RESERVE TRUST**

PURSUANT to section 92(3) of the Crown Lands Act 1989, the reserve trust specified in Column 1 of the Schedule hereunder, which was established in respect of the reserve specified opposite thereto in Column 2 of the Schedule, is dissolved.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE***Column 1*

Bulli Pass Scenic Reserve  
Trust.

*Column 2*

Reserve No.: 67711.  
Public Purpose: Public  
recreation.  
Notified: 1 July 1938.  
File No.: NA82 R 137/9.

**SCHEDULE***Column 1*

Land District: Kiama.  
Local Government Area:  
Wollongong City Council.  
Locality: Bulli Pass.  
Lot 2, section 9, DP No. 2281,  
Parish Southend,  
County Cumberland.  
Area: 967 square metres.  
File No.: NA81 R 239/13.

*Column 2*

Reserve No.: 752054.  
Public Purpose: Future  
public requirements.  
Notified: 29 June 2007.

**ORANGE OFFICE**  
**92 Kite Street (PO Box 2146), Orange NSW 2800**  
**Phone: (02) 6391 4300 Fax: (02) 6362 3896**

**APPOINTMENT OF TRUST BOARD MEMBERS**

PURSUANT to section 93 of the Crown Lands Act 1989, the persons whose names are specified in Column 1 of the Schedule hereunder, are appointed for the terms of office specified, as members of the trust board for the reserve trust specified opposite thereto in Column 2, which has been established and appointed as trustee of the reserve referred to opposite thereto in Column 3 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

SCHEDULE

Column 1	Column 2	Column 3
Suellen COOK (new member), Julian Shaw Hingston COOK (new member), Kerri SLATTER (new member), Lisa Patricia PATON (new member), Kevin George RADBURN Jnr (new member), Kevin George RADBURN Snr (new member), Gary Eric RADBURN (re-appointment).	Neville Showground and Recreation Reserve Trust.	Reserve No.: 64742. Public Purpose: Public recreation and showground. Notified: 7 September 1934.  Reserve No.: 70188. Public Purpose: Public recreation. Notified: 1 August 1941. File No.: OE80 R 225/3.

Term of Office

For a term commencing 9 July 2009 and expiring 8 July 2014.

**NOTIFICATION OF CLOSING OF ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished. On road closing, title to the land comprising the former public road vests in the body specified in the Schedule hereunder.

TONY KELLY, M.L.C.,  
Minister for Lands

Description

*Land District – Parkes; L.G.A. – Parkes*

Road Closed: Lot 1, DP 1138073 at Parkes, Parish Curumbenya, County Ashburnham.

File No.: CL/00436.

Schedule

On closing, the land within Lot 1, DP 1138073 remains vested in the State of New South Wales as Crown Land.

Description

*Land District – Rylstone; L.G.A. – Mid-Western Regional*

Road Closed: Lot 1, DP 1138070 at Running Stream, Parish Hearne, County Roxburgh.

File No.: OE05 H 241.

Schedule

On closing, the land within Lot 1, DP 1138070 remains vested in the State of New South Wales as Crown Land.

Description

*Land District – Forbes; L.G.A. – Forbes*

Road Closed: Lot 1, DP 1138077 at Mulyandry, Parish Erasa, County Forbes.

File No.: OE05 H 188.

Schedule

On closing, the land within Lot 1, DP 1138077 remains vested in the State of New South Wales as Crown Land.

Description

*Land District – Cowra; L.G.A. – Cowra*

Road Closed: Lot 1, DP 1138075 at Woodstock, Parish Tintern, County Bathurst.

File No.: OE05 H 269.

Schedule

On closing, the land within Lot 1, DP 1138075 remains vested in the State of New South Wales as Crown Land.

**APPOINTMENT OF MEMBERS OF LOCAL LAND BOARDS**

IN pursuance of the provisions of the Crown Lands Act 1989, the undermentioned persons have been appointed as members of the local land board for the Land Districts particularised hereunder for a term commencing this day and expiring 31 March 2014.

TONY KELLY, M.L.C.,  
Minister for Lands

SCHEDULE

Bingara	Donald Gilbert CAPEL
Warialda	Peter Andrew GLENNIE

**TAMWORTH OFFICE****25-27 Fitzroy Street (PO Box 535), Tamworth NSW 2340****Phone: (02) 6764 5100 Fax: (02) 6766 3805****REVOCATION OF RESERVATION OF CROWN LAND**

PURSUANT to section 90 of the Crown Lands Act 1989, the reservation of Crown Land specified in Column 1 of the Schedule hereunder is revoked to the extent specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>
Land District: Tamworth. Local Government Area: Tamworth Regional Council. Locality: Nundle. Reserve No.: 96722. Public Purpose: Future public requirements. Notified: 22 April 1983. File No.: TH83 H 45.	The whole being Lot 320, DP No. 755335, Parish Nundle, County Parry, of an area of 155.2 hectares.

Note: It is intended to revoke Reserve R96722 for future public requirements in conjunction with application to convert Crown Lease 110007 (1914/16) Tamworth.

**NOTIFICATION OF CLOSING OF A ROAD**

IN pursuance to the provisions of the Roads Act 1993, the road hereunder specified is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished.

TONY KELLY, M.L.C.,  
Minister for Lands

**Description**

*Locality – Tambar Springs; Land District – Gunnedah;  
L.G.A. – Gunnedah Shire*

Road Closed: Lots 1-3 in Deposited Plan 1136522,  
Parishes Merrigula and Calala, County Pottinger.

File No.: TH04 H 41.

Note: On closing, title to the land comprised in Lots 1-3 will remain vested in the State of New South Wales as Crown Land.

**Description**

*Locality – Tambar Springs; Land District – Gunnedah;  
L.G.A. – Warrumbungle Shire*

Road Closed: Lot 1 in Deposited Plan 1137888, Parish Bomera, County Pottinger.

File No.: TH05 H 97.

Note: On closing title to the land comprised in Lot 1 will remain vested in the State of New South Wales as Crown Land.

**APPOINTMENT OF TRUST BOARD MEMBERS**

PURSUANT to section 93 of the Crown Lands Act 1989, the persons whose names are specified in Column 1 of the Schedule hereunder, are appointed for the terms of office specified, as members of the trust board for the reserve trust specified opposite thereto in Column 2, which has been established and appointed as trustee of the reserve referred to opposite thereto in Column 3 of the Schedule.

TONY KELLY, M.L.C.,  
Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
The person for the time being holding the office of Conservation Field Officer, Chaffey Dam, State Water-Northern Area (ex-officio member).	Bowling Alley Point Recreation Reserve Trust.	Reserve No.: 96568. Public Purpose: Public recreation. Notified: 28 January 1983. Locality: Bowling Alley Point. File No.: TH89 R 16.

**Term of Office**

For a term commencing the date of this notice and expiring 12 June 2013.

**TAREE OFFICE**  
**98 Victoria Street (PO Box 440), Taree NSW 2430**  
**Phone: (02) 6591 3500 Fax: (02) 6552 2816**

**REVOCATION OF RESERVATION OF CROWN LAND**

PURSUANT to section 90 of the Crown Lands Act 1989, the reservations of Crown Land specified in Column 1 of the Schedule hereunder, is revoked to the extent specified opposite thereto in Column 2 of the Schedule.

TONY KELLY, M.L.C.,  
 Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>
Land District: Gloucester.	The part being Lot 1, DP
Local Government Area: Gloucester Shire.	1130957, Parish Gloucester, County Gloucester.
Locality: Bakers Creek.	Area: 959 square metres.
Reserve No.: 753171.	
Public Purpose: Future public requirements.	
Notified: 29 June 2007.	
File No.: TE02 H 130.	

**ROADS ACT 1993**

**ORDER**

Transfer of Crown Road to a Council

IN pursuant of the provisions of section 151, Roads Act 1993, the Crown roads specified in Schedule 1 are transferred to the roads authority specified in Schedule 2 hereunder, as from the date of publication of this notice and as from that date the roads specified in Schedule 1 cease to be Crown roads.

TONY KELLY, M.L.C.,  
 Minister for Lands

**SCHEDULE 1**

*Parish – Boonanghi; County – Dudley;*  
*Local Government Area – Kempsey Shire Council;*  
*Land District – Kempsey*

Crown public road being road within Lot 12, DP 752405, 533m, from southern boundary Lot 34, DP 752405 and western 237m of road on southern boundary Lot 34, DP 752405 now being Lot 4, DP 1094950.

**SCHEDULE 2**

Roads Authority: Kempsey Shire Council.  
 File No.: TE99 H 163.

**NOTIFICATION OF CLOSING OF ROAD**

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the land comprised therein ceases to be a public road and the rights of passage and access that previously existed in relation to the road are extinguished. On road closing, title to the land comprising the former public road vests in the body specified in the Schedule hereunder.

TONY KELLY, M.L.C.,  
 Minister for Lands

Description

*Land District – Gloucester; L.G.A. – Gloucester*

Road Closed: Lots 1 and 2, DP 1138419 at Berrico, Parish Barrington, County Gloucester.

File No.: TE06 H 118.

Schedule

On closing, the land within Lots 1 and 2, DP 1138419 remains vested in the State of New South Wales as Crown Land.

**APPOINTMENT OF TRUST BOARD MEMBERS**

PURSUANT to section 93 of the Crown Lands Act 1989, the persons whose names are specified in Column 1 of the Schedule hereunder, are appointed for the term of office specified, as members of the trust board for the reserve trust specified opposite thereto in Column 2, which has been established and appointed as trustee of the reserve referred to opposite thereto in Column 3 of the Schedule.

TONY KELLY, M.L.C.,  
 Minister for Lands

**SCHEDULE**

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Janice Mary DE ROSE (reappointment), Jacqueline O'DONOGHUE (new appointment), Warren Christopher MATHEWS (new appointment), David BUCHAN (new appointment), Ronald Clive HASWELL (new appointment), William JONES (new appointment).	Kendall Community Centre Reserve Trust.	Reserve No.: 98013. Public Purpose: Community centre. Notified: 6 December 1985. File No.: TE85 R 23.

Term of Office

For a term commencing 24 June 2009 and expiring 23 June 2014.

**ERRATUM**

IN the notification appearing in the *New South Wales Government Gazette* No. 83 of 5 June 2009, Folio 2558, under the heading Roads Act 1993, 'Transfer of Crown Road to a Council', in Schedule 1 within unnamed road insert Lot 32, section 3, DP 758900 in lieu of Lot 32, DP 758900.

TONY KELLY, M.L.C.,  
 Minister for Lands



## Department of Primary Industries

### FISHERIES MANAGEMENT ACT 1994

#### FISHERIES MANAGEMENT (AQUACULTURE) REGULATION 2007

Notice of Receipt of Application for Aquaculture Lease  
Notification under s.163 (7) of the Fisheries Management  
Act 1994 and Cl.33 of the Fisheries Management  
(Aquaculture) Regulation 2007

NSW Department of Primary Industries (NSW DPI), advises an application has been received for a new aquaculture lease over public water land for the purpose of cultivating Sydney rock and Pacific oysters. Location is Tilligerry Creek, Port Stephens, described as follows:

- 3.0499 hectares over former oyster lease OL63/088.

NSW DPI is calling for written submissions from any person supporting or objecting to the oyster lease proposal, citing reasons for the support/objection. NSW DPI is also calling for expressions of interest from persons or corporations interested in leasing the area specified above, for the purpose of aquaculture. An expression of interest must be in the form of a written response referring to lease number OL63/088 to be signed and dated with a return address.

If additional expressions of interest are received, NSW DPI may offer the area for leasing through a competitive public tender process, auction or ballot. If granted the lease will be subject to standard covenants and conditions of an aquaculture lease and aquaculture permit, under the Fisheries Management Act, 1994.

Specific details of the proposed lease can be obtained, or enquiries made with NSW DPI, Aquaculture Administration Section, Port Stephens on (02) 4982 1232. Objections or expressions of interest for consideration in the determination of the application must be received at the address below, within 30 days from the date of publication of this notification:

Director,  
Fisheries Conservation and Aquaculture Branch,  
Aquaculture Administration Section,  
Port Stephens Fisheries Institute,  
Locked Bag 1,  
Nelson Bay, NSW, 2315.

BILL TALBOT,  
Director,  
Fisheries Conservation and Aquaculture Branch,  
Department of Primary Industries

### MINERAL RESOURCES

NOTICE is given that the following applications have been received:

#### EXPLORATION LICENCE APPLICATIONS

(08-8960)

No. 3716, MIDWEST DEVELOPMENT CORPORATION PTY LIMITED (ACN 130594204), MIDWEST PRIMARY PTY LTD (ACN 130 271 546) AND ROCKY POINT HOLDINGS PTY LTD (ACN 130 594 259), area of 328.2 square kilometres, for Group 9, dated 5 June, 2009. (Orange Mining Division).

(T09-0107)

No. 3717, COBAR CONSOLIDATED RESOURCES LIMITED (ACN 118 684 576), area of 7 units, for Group 1, dated 10 June, 2009. (Cobar Mining Division).

(T09-0108)

No. 3718, COBAR CONSOLIDATED RESOURCES LIMITED (ACN 118 684 576), area of 28 units, for Group 1, dated 10 June, 2009. (Cobar Mining Division).

(T09-0109)

No. 3719, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), area of 295 units, for Group 1, dated 11 June, 2009. (Cobar Mining Division).

(T09-0110)

No. 3720, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), area of 99 units, for Group 1, dated 11 June, 2009. (Cobar Mining Division).

(T09-0111)

No. 3721, JUBA MINERALS PTY LIMITED, area of 23 units, for Group 1 and Group 10, dated 12 June, 2009. (Armidale Mining Division).

(T09-0112)

No. 3722, OAKLAND RESOURCES PTY LTD (ACN 137 606 476), area of 50 units, for Group 1, dated 15 June, 2009. (Sydney Mining Division).

(T09-0113)

No. 3723, OAKLAND RESOURCES PTY LTD (ACN 137 606 476), area of 66 units, for Group 1, dated 15 June, 2009. (Sydney Mining Division).

(T09-0114)

No. 3724, OAKLAND RESOURCES PTY LTD (ACN 137 606 476), area of 100 units, for Group 1, dated 15 June, 2009. (Sydney Mining Division).

(T09-0115)

No. 3725, OAKLAND RESOURCES PTY LTD (ACN 137 606 476), area of 100 units, for Group 1, dated 15 June, 2009. (Sydney Mining Division).

### MINING LEASE APPLICATIONS

(09-2098)

No. 333, AUSTAR COAL MINE PTY LIMITED (ACN 111 910 822), area of about 34.13 hectares, to mine for coal, dated 9 June, 2009. (Singleton Mining Division).

(08-7508)

No. 334, METROPOLITAN COLLIERIES PTY. LTD. (ACN 003 135 635), area of about 396.1 hectares, to mine for coal, dated 11 June, 2009. (Sydney Mining Division).

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

NOTICE is given that the following applications have been granted:

**MINERAL CLAIM APPLICATIONS**

(T09-0045)

Cobar No. 78, now Mineral Claim No. 326 (Act 1992) BRUCE JORDAN, Parish of Willyeroo, County of Irrara, area of about 2 hectares, to mine for gypsum, dated 4 June, 2009, for a term until 4 June, 2014.

(T09-0046)

Cobar No. 79, now Mineral Claim No. 327 (Act 1992) BRUCE JORDAN, Parish of Willyeroo, County of Irrara, area of about 1.952 hectares, to mine for gypsum, dated 4 June, 2009, for a term until 4 June, 2014.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

NOTICE is given that the following application has been refused:

**EXPLORATION LICENCE APPLICATION**

(T08-0188)

No. 3562, MINERAL INNOVATIONS PTY LIMITED (ACN 120 836 508), County of Darling and County of Nandewar, Map Sheet (8936). Refusal took effect on 10 June, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

NOTICE is given that the following applications have been withdrawn:

**EXPLORATION LICENCE APPLICATIONS**

(T08-0192)

No. 3566, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Cunningham, County of Flinders and County of Kennedy, Map Sheets (8232, 8233, 8332, 8333). Withdrawal took effect on 7 April, 2009.

(T08-0193)

No. 3567, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Flinders, Map Sheets (8233, 8333). Withdrawal took effect on 7 April, 2009.

(T08-0194)

No. 3568, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Mitchell and County of Urana, Map Sheets (8226, 8227). Withdrawal took effect on 7 April, 2009.

(T08-0195)

No. 3569, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Flinders, Map Sheets (8233, 8234). Withdrawal took effect on 7 April, 2009.

(T08-0196)

No. 3570, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Mitchell and County of Urana, Map Sheets (8127, 8227, 8228). Withdrawal took effect on 7 April, 2009.

(T08-0197)

No. 3571, TECK COMINCO AUSTRALIA PTY LTD (ACN 091 271 911), County of Hume and County of Urana,

Map Sheets (8126, 8127, 8226, 8227). Withdrawal took effect on 7 April, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

NOTICE is given that the following applications for renewal have been received:

(T97-1201)

Exploration Licence No. 5323, NORTH MINING LIMITED (ACN 000 081 434), area of 76 units. Application for renewal received 11 June, 2009.

(05-192)

Exploration Licence No. 6445, BIG ISLAND MINING PTY LTD (ACN 112 787 470), area of 75 units. Application for renewal received 10 June, 2009.

(05-5711)

Exploration Licence No. 6587, WHITEHAVEN COAL MINING LIMITED (ACN 086 426 253), area of 218 hectares. Application for renewal received 3 June, 2009.

(07-99)

Exploration Licence No. 6822, CLANCY EXPLORATION LIMITED (ACN 105 578 756), area of 42 units. Application for renewal received 11 June, 2009.

(07-99)

Exploration Licence No. 6823, CLANCY EXPLORATION LIMITED (ACN 105 578 756), area of 22 units. Application for renewal received 11 June, 2009.

(07-99)

Exploration Licence No. 6824, CLANCY EXPLORATION LIMITED (ACN 105 578 756), area of 28 units. Application for renewal received 11 June, 2009.

(07-84)

Exploration Licence No. 6832, CAPITAL MINING LIMITED (ACN 104 551 171), area of 50 units. Application for renewal received 10 June, 2009.

(07-85)

Exploration Licence No. 6835, JACARANDA MINERALS LTD, area of 50 units. Application for renewal received 16 June, 2009.

(06-7048)

Exploration Licence No. 6840, IRONBARK GOLD LIMITED (ACN 118 751 027), area of 31 units. Application for renewal received 16 June, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

**RENEWAL OF CERTAIN AUTHORITIES**

NOTICE is given that the following authorities have been renewed:

(T98-1222)

Exploration Licence No. 5583, TRI ORIGIN MINERALS LTD (ACN 062 002 475), Counties of Bathurst and Wellington, Map Sheet (8731), area of 57 units, for a further term until 24 June, 2010. Renewal effective on and from 10 June, 2009.



(T00-0185)

Exploration Licence No. 5830, ALKANE RESOURCES LTD (ACN 000 689 216), County of Narromine, Map Sheet (8532), area of 4 units, for a further term until 4 April, 2011. Renewal effective on and from 26 May, 2009.

(T02-0363)

Exploration Licence No. 6040, GOLD AND COPPER RESOURCES PTY LIMITED (ACN 124 534 863), County of Bathurst, Map Sheet (8731), area of 29 units, for a further term until 31 January, 2010. Renewal effective on and from 12 June, 2009.

(T03-0844)

Exploration Licence No. 6269, AUSTRALIA ORIENTAL MINERALS NL (ACN 010 126 708), County of King, Map Sheets (8628, 8629, 8728, 8729), area of 19 units, for a further term until 12 July, 2010. Renewal effective on and from 10 June, 2009.

(04-634)

Exploration Licence No. 6397, VALE INCO RESOURCES (AUSTRALIA) PTY LTD (ACN 096 361 876), County of Mootwingee, Map Sheets (7236, 7237, 7336), area of 161 units, for a further term until 31 March, 2011. Renewal effective on and from 2 June, 2009.

(06-7045)

Exploration Licence No. 6721, PLATSEARCH NL (ACN 003 254 395), Counties of Fitzgerald and Killara, Map Sheets (7636, 7637, 7736), area of 50 units, for a further term until 25 February, 2011. Renewal effective on and from 29 May, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

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#### CANCELLATION OF AUTHORITY AT REQUEST OF HOLDER

NOTICE is given that applications for cancellation have been received:

(T07-0486)

Exploration Licence No. 7145, DAVID WINTON FISHER, counties of Irrara, area of 10 units.

Request for cancellation was received on 26 May, 2009.

(05-5707)

Exploration Licence No. 6585, WHITEHAVEN COAL MINING LIMITED (ACN 086 426 253), County of Arrawatta, area of 2000 hectares.

Request for cancellation was received on 10 June 2009.

(05-5710)

Exploration Licence No 6586, WHITEHAVEN COAL MINING LIMITED (ACN 086 426 253), County of Arrawatta, area of 1000 hectares.

Request for cancellation was received on 10 June 2009

NOTICE is given that the following authority has been cancelled:

(T07-0486)

Exploration Licence No. 7145, DAVID WINTON FISHER, County of Irrara, Map Sheet (7839), area of 10 units. Cancellation took effect on 16 June, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

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#### TRANSFER

(T00-0181)

Exploration Licence No. 5842, formerly held by GOLDEN CROSS OPERATIONS PTY. LTD. (ACN 050 212 827) has been transferred to POLYMETALS (MT BOPPY) PTY LTD (ACN 129 225 207). The transfer was registered on 13 February, 2009.

IAN MACDONALD, M.L.C.,  
Minister for Mineral Resources

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#### RURAL ASSISTANCE ACT 1989

Appointment of Acting Chief Executive

NSW Rural Assistance

I, IAN MACDONALD, MLC, Minister for Primary Industries, pursuant to Clause 3 of Schedule 2 to the *Rural Assistance Act 1989* appoint Mr Stephen Griffith as Acting Chief Executive of the NSW Rural Assistance Authority from 10 June 2009 to 19 June 2009 inclusive.

Dated this 9th day of June 2009.

IAN MACDONALD, M.L.C.,  
Minister for Primary Industries

## Roads and Traffic Authority

### ROAD TRANSPORT (VEHICLE REGISTRATION) ACT 1997

#### Notice Fixing Fees

I, MICHAEL BUSHBY, Acting Chief Executive of the Roads and Traffic Authority, pursuant to section 8(1)(k) of the Road Transport (Vehicle Registration) Act 1997 and Clause 77 of the Road Transport (Vehicle Registration) Regulation 2007, FIX the fees set out in Column 2 of the Schedule to this Notice in respect of the services shown opposite to them in Column 1 of that Schedule.

This Notice takes effect on 1 July 2009.

MICHAEL BUSHBY,  
Acting Chief Executive,  
Roads and Traffic Authority

Note: This Notice replaces the Notices published in *New South Wales Government Gazette* No. 58 of 8 April 2009, at page 1593.

**Definition:**

Existing Customers – those customers that retain content within the specific plate category group as of the 7th April 2009.

New Customers – those customers that join a new category group after the 7th April 2009.

#### SCHEDULE

<i>Column 1</i>	<i>Column 2</i> \$
1. Duplicate certificate of registration	19
2. Duplicate registration label	19
3. Issue of a bicycle rack number-plate or issue of a bicycle rack number-plate in substitution for a surrendered bicycle rack number plate	35
4. Numeral only plates (Replace & Restyle)	
i. Vitreous enamel	300
ii. Aluminium	300
5. Book of inspection reports for issue at authorised inspection station:	
i. Book containing 100 reports	90
6. Copy of rules for authorised inspection station	61
7. Certificate from records pursuant to Clause 15	26
8. Vehicle to be inspected by the Authority for the purpose of identification prior to the establishment of registration:	
a. Booking fee for all vehicles	57
b. Inspection of a vehicle on the national written off vehicle register, as maintained by roads authorities in each jurisdiction	369
9. Information from records (other than a certificate pursuant to Clause 5)	19
10. Transfer of right to display plates	
a. Personalised Plus plates only	173
11. Transfer of Numeral only plates - Vehicle Plates:	
a. Category 1, 1 digit plate	8712
b. Category 2, 2 digit plate	3485
c. Category 3, 3 digit plate	1742
d. Category 4, 4 digit plate	871
e. Category 5, 5 digit plate	347
f. Category 6, 6 digit plate	171
12. Transfer of Numeral only plates - Motorcycle Plates	
a. Category 1, 1 digit plate	1742
b. Category 2, 2 digit plate	347
c. Category 3, 3 digit plate	171

d. Category 4, 4 digit plate	128
e. Category 5, 5 digit plate	85
f. Category 6, 6 digit plate	N/A
13. Packing & Posting - Plates	22
14. Packing & Posting - Inspection Report Books	20
15. Fee for Cancellation of Registration	24
16. Permit to use unregistered vehicle	19
17. Administration fee for Conditional Registration	19
18. Number Plate Hold Fee	50
19. Number Plate Exchange Fee	50
20. Cars & Light Trucks	
a. Prestige plates	
i. Order /Restyle fee	
i. (with annual content fee)	600
ii. Personalised plus annual content fee	440
iii. Replace fee	100
b. European plates	
i. Order /Restyle fee	
i. (without annual content fee)	400
ii. (with annual content fee)	200
ii. Personalised annual content fee	90
iii. Personalised plus annual content fee	440
iv. Replace fee	100
c. Metallic plates	
i. Order/Restyle fee	
i. (without annual content fee)	400
ii. (with annual content fee)	200
ii. Personalised annual content fee	90
iii. Personalised plus annual content fee	440
iv. Replace fee	100
d. Coloured plates -	
(Background colours bright red, vivid blue, royal purple, dark green, lipstick pink, hot pink, burnt orange, raspberry, wheat with white characters and white backgrounds with equivalent coloured characters)	
i. Order/Restyle fee	
i. (without annual content fee)	220
ii. (with annual content fee)	110
ii. Personalised annual content fee	90
iii. Personalised Plus annual content fee	440
iv. Replace fee	75
e. Slim White bordered plates	
i. Order/Restyle fee	
i. New Customers (without annual content fee)	80
ii. Personalised annual content fee	90
iii. Personalised Plus annual content fee (existing customers)	430
iv. Replace fee	50
f. Slim White, Ebony Black Character	
i. Order/Restyle fee	
i. (without annual content fee)	220
ii. (with annual content fee)	110
ii. Personalised annual content fee	90
iii. Personalised plus annual content fee	440

iv. Replace fee	75
g. NRL plates	
i. Order/Restyle fee	
i. (without annual content fee)	320
ii. (with annual content fee)	160
ii. Personalised annual content fee	90
iii. Personalised plus annual content fee	440
iv. Replace fee (including Limited Edition)	100
h. Regional Theme plates	
i. Personalised annual fee	90
ii. Replace fee	50
i. Wallaby plates	
i. Personalised annual content fee	90
ii. Replace	50
j. Sydney Harbour Bridge plates	
i. Replace fee	30
ii. Replace fee (Limited Edition)	100
21. Cars & Light Trucks & Heavy Vehicles	
a. Original Yellow plates	
i. Issue fee	37
ii. Personalised annual content fee (existing customers)	60
iii. Replace fee	37
b. Custom Yellow plates	
i. Order/Restyle fee	
i. (with annual content fee)	110
ii. Personalised Plus annual content fee	440
iii. Personalised Plus annual content fee (existing customers only)	400
iv. Replace fee	75
c. Ebony Black, White Character plates	
i. Order/Restyle fee	
i. (without annual content fee)	400
ii. (with annual content fee)	200
ii. Personalised annual content fee	90
iii. Replace fee	100
d. Centenary of Federation	
i. Replace fee	100
e. Limited Edition Centenary of Federation Plates	
i. Replace fee	100
22. Motorcycle	
a. Original Yellow plates	
i. Issue fee	37
ii. Replace fee	37
iii. Personalised annual content fee	40
b. Custom Yellow plates	
i. Order/Restyle fee	
i. (with annual content fee)	55
ii. Personalised plus annual content fee	170
iii. Replace fee	40
c. Metallic, and Ebony Black, White Character	
i. Order/Restyle fee	
i. (without annual content fee)	200
ii. (with annual content fee)	100
ii. Personalised annual content fee	50

iii. Personalised plus annual content fee	170
iv. Replace fee	50
d. Coloured - (bright red, vivid blue)	
i. Order/Restyle fee	
i. (without annual content fee)	110
ii. (with annual content fee)	55
ii. Personalised annual content fee	50
iii. Personalised plus annual content fee	170
iv. Replace fee	40
23. Trailer	
a. Original Yellow plates	
i. Issue fee	37
b. Coloured plates (bright red, vivid blue, royal purple, dark green)	
i. Order/Restyle fee	
i. (without annual content fee)	220
ii. (with annual content fee)	110
ii. Personalised annual content fee	90
iii. Personalised Plus annual content fee	440
iv. Replace fee	75
c. Metallic plates	
i. Order/Restyle fee	
i. (without annual content fee)	400
ii. (with annual content fee)	200
ii. Personalised annual content fee	90
iii. Personalised plus annual content fee	440
iv. Replace fee	100
d. Ebony Black, White Character plates	
i. Order/Restyle fee	
i. (without annual content fee)	400
ii. (with annual content fee)	200
ii. Personalised annual content fee	90
iii. Replace fee	100

**ROAD TRANSPORT (DRIVER LICENSING) ACT 1998**

## Notice Fixing Fees

I, MICHAEL BUSHBY, Acting Chief Executive of the Roads and Traffic Authority, pursuant to section 10 of the Road Transport (Driver Licensing) Act 1998 and Clause 111 of the Road Transport (Driver Licensing) Regulation 2008, FIX the fees set out in the Schedule to this Notice in respect of the services appearing adjacent to them.

This Notice takes effect on 1 July 2009.

MICHAEL BUSHBY,  
Acting Chief Executive,  
Roads and Traffic Authority

Note: This Notice replaces the Notice published in *New South Wales Government Gazette* No. 68 of 13 June 2008, at page 4813.

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 SCHEDULE

	\$
1. Sound Advice	11
2. CBA Assessors Course	1,018
3. Motorcycle Riding Instructor Training Course	652
4. Learner Replacement Logbook	14
5. Issue of provisional licence passenger restriction exemption letter...	26
6. Issue of provisional licence prohibited motor vehicle restriction exemption letter	26
7. Issue of a replacement provisional licence passenger restriction exemption letter	11
8. Issue of a replacement provisional licence prohibited motor vehicle restriction exemption letter	11
9. Issue of provisional P1 licences – restriction on passengers under 21 exemption letter	26
10. Issue of replacement provisional P1 licences - restriction on passengers under 21 exemption letter	11

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**ROAD TRANSPORT (SAFETY AND TRAFFIC MANAGEMENT) ACT 1999**

## Order Fixing Fees

I, MICHAEL BUSHBY, Acting Chief Executive of the Roads and Traffic Authority, pursuant to Clause 126E of the Road Transport (Safety and Traffic Management) Regulation 1999, do by this Order fix the fees set out in the Schedule to this Order in respect of the services shown adjacent to them.

This Order takes effect on 1 July 2009.

MICHAEL BUSHBY,  
Acting Chief Executive,  
Roads and Traffic Authority

Note: This Order replaces the Order published in *New South Wales Government Gazette* No. 68 of 13 June 2008, at page 4814

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**SCHEDULE**

<i>Services</i>	\$
Fee for the issue of an individual or organisational mobility parking scheme authority (except where the applicant is an eligible pensioner)	\$35 per authority
Fee for the issue of a temporary mobility parking scheme authority (except where the applicant is an eligible pensioner)	\$12 per authority
Fee for the issue of a replacement mobility parking scheme authority (except where the applicant is an eligible pensioner)	\$12 per authority
Fee for the issue of a replacement mobility parking scheme authority where the applicant is an eligible pensioner	\$6 per authority

In this Schedule, an eligible pensioner means a person:

- (a) who is the holder of a current New South Wales Pensioner Concession Card which is in force issued by the Commonwealth Department of Social Security or the Commonwealth Department of Veterans' Affairs, or
- (b) who is receipt of an amount of 70% or higher of a disability pension paid by the Commonwealth Department of Veterans' Affairs, or an Intermediate or Extreme Disablement Adjustment Pension, or
- (c) who is an armed services widow within the meaning of the Social Security Act 1991 of the Commonwealth, and
  - (i) who is in receipt of a pension under Part II or IV of the Veterans' Entitlements Act 1986 of the Commonwealth at the maximum rate applicable under section 1064 (5) of the Social Security Act 1991 of the Commonwealth, and
  - (ii) who is under the pension age for the person set out in section 5QA of the Veterans' Entitlement Act 1986 of the Commonwealth, or
- (d) who is under 16 years of age and named as a dependant on the current New South Wales Pensioner Concession Card in (a) above.

**ROAD TRANSPORT (GENERAL) ACT 2005**

## Notice Fixing Fees

I, MICHAEL BUSHBY, Acting Chief Executive of the Roads and Traffic Authority, pursuant to section 10 of the Road Transport (General) Act 2005 and Clauses 93(6)b, 103(5) and 109(6) of the Road Transport (General) Regulation 2005, make the Notice set forth hereunder.

This Notice takes effect on 1 July 2009.

MICHAEL BUSHBY,  
Acting Chief Executive,  
Roads and Traffic Authority

Note: This Notice replaces the Notices published in *New South Wales Government Gazette* No. 138 of 31 October 2008, at page 10606.

	\$
1. Work diary	20
2. Application fee for Basic Fatigue Management (cost per accreditation period)	83
3. Application fee for Advanced Fatigue Management (cost per accreditation period)	137

**ROAD TRANSPORT (GENERAL) ACT 2005**

Notice under Clause 20 of the Road Transport (Mass, Loading and Access) Regulation 2005

CABONNE COUNCIL, in pursuance of Division 4 of Part 2 of the Road Transport (Mass, Loading, Access) Regulation 2005, by this Notice, specify the routes and areas on or in which 25 metre B-Doubles may be used subject to any requirements or conditions set out in the Schedule.

G. L. P. FLEMING,  
General Manager,  
Cabonne Council  
(by delegation from the Minister for Roads)  
Dated: 15th June 2009

**SCHEDULE****1. Citation**

This Notice may be cited as Cabonne Council 25 Metre B-Double route Notice No. 5/2009.

**2. Commencement**

This Notice takes effect on 1 July 2009.

**3. Effect**

This Notice remains in force until 31ST December 2009 unless it is amended or repealed earlier.

**4. Application**

This Notice applies to those 25 Metre B-Double vehicles which comply with Schedule 1 of the Road Transport (Mass, Loading and Access) Regulation 2005 and Schedule 2 of the Road Transport (Vehicle Registration) Regulation 2007.

**5. Routes**

<i>Type</i>	<i>Road No.</i>	<i>Road Name</i>	<i>Starting Point</i>	<i>Finishing Point</i>	<i>Conditions</i>
25.	MR233.	Renshaw-McGirr Way, Cabonne Council.	Parkes Shire Council boundary.	Wellington Shire Council boundary.	
25.	LR104.	Gundong Road, Cabonne Council.	Obley Road, Obley.	Narromine Shire Council boundary.	80 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	LR040.	Yoorooga Road, Cabonne Council.	Gundong Road.	Renshaw-McGirr Way.	80 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	LR001.	Baldry Road, Cabonne Council.	Renshaw-McGirr Way.	Railway Parade, Cumnock.	80 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	000.	MacLaughlan Street, Cumnock.	Railway Parade, Cumnock	Obley Street, Cumnock.	50 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	LR049.	Gumble Road, Cabonne Council.	Local Road 001, Baldry Road.	Windeyer Street, Intersection Manildra.	80 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.



25.	000.	Orange Street, Manildra.	Windeyer Street, Intersection Manildra.	Whitton Street, Manildra.	80 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	000.	Orange Street, Manildra.	Whitton Street, Manildra.	Loftus Street, Manildra.	50 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25.	000.	Loftus Street, Manildra.	Orange Street, Manildra	Derowie Street, Manildra.	50 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.
25	000	Derowie Street, Manildra.	Loftus Street, Manildra.	State MR61 Kiewa Street, Manildra.	50 km/hr speed limit applies. Travel not permitted on school days between 8am and 9.30am and between 2.30pm and 4pm.

### ROAD TRANSPORT (GENERAL) ACT 2005

Notice under Clause 20 of the Road Transport (Mass, Loading and Access) Regulation 2005

HOLROYD CITY COUNCIL, in pursuance of Division 4 of Part 2 of the Road Transport (Mass, Loading, Access) Regulation 2005, by this Notice, specify the routes and areas on or in which 25 metre B-Doubles may be used subject to any requirements or conditions set out in the Schedule.

MERV ISMAY,  
General Manager,  
Holroyd City Council  
(by delegation from the Minister for Roads)  
Dated: 16 June 2009

#### SCHEDULE

#### 1. Citation

This Notice may be cited as Holroyd City Council 25 Metre B-Double Route Notice No. 01/2009.

#### 2. Commencement

This Notice takes effect on the date of gazettal.

#### 3. Effect

This Notice remains in force until 30 September 2010 unless it is amended or repealed earlier.

#### 4. Application

This Notice applies to those 25 metre B-Double vehicles which comply with Schedule 1 of the Road Transport (Mass, Loading and Access) Regulation 2005 and Schedule 2 of the Road Transport (Vehicle Registration) Regulation 2007.

#### 5. Routes

Type	Road Name	Starting Point	Finishing Point
25.	Loftus Road, Yennora.	Pine Road.	Military Road.
25.	Military Road, Yennora.	Loftus Road.	Byron Road.
25.	Byron Road, Yennora.	Military Road.	Stocklands Warehouse entrance.

**ROAD TRANSPORT (GENERAL) ACT 2005**

Notice under Clause 20 of the Road Transport (Mass, Loading and Access) Regulation 2005

LIVERPOOL CITY COUNCIL, in pursuance of Division 4 of Part 2 of the Road Transport (Mass, Loading, Access) Regulation 2005, by this Notice, specify the routes and areas on or in which 25 metre B-Doubles may be used subject to any requirements or conditions set out in the Schedule.

OWEN HODGSON,  
Transport and Traffic Coordinator,  
Liverpool City Council  
(by delegation from the Minister for Roads)  
Dated: 4 May 2009

**SCHEDULE****1. Citation**

This Notice may be cited as Liverpool City Council 25 Metre B-Double Route Notice No. 1/2009.

**2. Commencement**

This Notice takes effect on the date of gazettal.

**3. Effect**

This Notice remains in force until 30 September 2010 unless it is amended or repealed earlier.

**4. Application**

This Notice applies to those 25 metre B-Double vehicles which comply with Schedule 1 of the Road Transport (Mass, Loading and Access) Regulation 2005 and Schedule 2 of the Road Transport (Vehicle Registration) Regulation 2007.

**5. Routes**

<i>Type</i>	<i>Road Name</i>	<i>Starting Point</i>	<i>Finishing Point</i>
25.	Yato Road, Prestons.	Bernera Road.	Burando Road.
25.	Burando Road, Prestons.	Yato Road.	Entire length.

**ROADS ACT 1993****LAND ACQUISITION (JUST TERMS  
COMPENSATION) ACT 1991**

Notice of Compulsory Acquisition and Dedication as  
Public Road of Land at Katoomba in the Blue Mountains  
City Council area

THE Roads and Traffic Authority of New South Wales by  
its delegate declares, with the approval of Her Excellency  
the Governor, that the land described in the schedule  
below is acquired by compulsory process under the  
provisions of the Land Acquisition (Just Terms  
Compensation) Act 1991 for the purposes of the Roads  
Act 1993 and further dedicates the land as public road  
under Section 10 of the Roads Act 1993.

T D Craig  
Manager, Compulsory Acquisition & Road Dedication  
Roads and Traffic Authority of New South Wales

—————  
SCHEDULE

ALL those pieces or parcels of land situated in the Blue  
Mountains City Council area, Parish of Megalong and  
County of Cook, shown as Lots 6, 9, 10 and 11 Deposited  
Plan 1077768, being parts of the land identified for  
railway purposes by notification in the Government  
Gazette of 24 December 1862 on pages 2663 and 2664  
and confirmed for railway purposes by notification in the  
Government Gazette of 1 May 1863 on page 1008.

The land is said to be in the possession of Rail  
Corporation New South Wales.

(RTA Papers: FPP 6M2041; RO 5/44.12253

**ROADS ACT 1993**

Notice of Dedication of Land as Public Road at Kiama  
and Kiama Downs in the Kiama Municipal Council area

THE Roads and Traffic Authority of New South Wales,  
by its delegate, dedicates the land described in the  
schedule below as public road under section 10 of the  
Roads Act 1993.

T D Craig  
Manager, Compulsory Acquisition & Road Dedication  
Roads and Traffic Authority of New South Wales

—————  
SCHEDULE

ALL those pieces or parcels of land situated in the Kiama  
Municipal Council area, Parish of Kiama and County of  
Camden, shown as:

Lot 7 Deposited Plan 739748; and

Lot 11 Deposited Plan 1122990.

(RTA Papers: 1/236.1216)

# Department of Water and Energy

## WATER MANAGEMENT ACT 2000

Order under section 308 (2)

### ORDERS FOR PURPOSE OF SERVICE CHARGES

Declaration of drainage area

Wyong Local Government Area

PURSUANT to section 308 (2) of the Water Management Act 2000, I, PHILLIP COSTA, the Minister for Water, do, by this Order, declare the land described in Schedule 1 to be a drainage area for the purposes of Part 2 of Chapter 6 to the Water Management Act 2000.

This Order takes effect on the date it is published in the NSW Government Gazette and will remain in effect unless it is repealed or modified by further order.

Signed at Sydney this 16th day of June 2009.

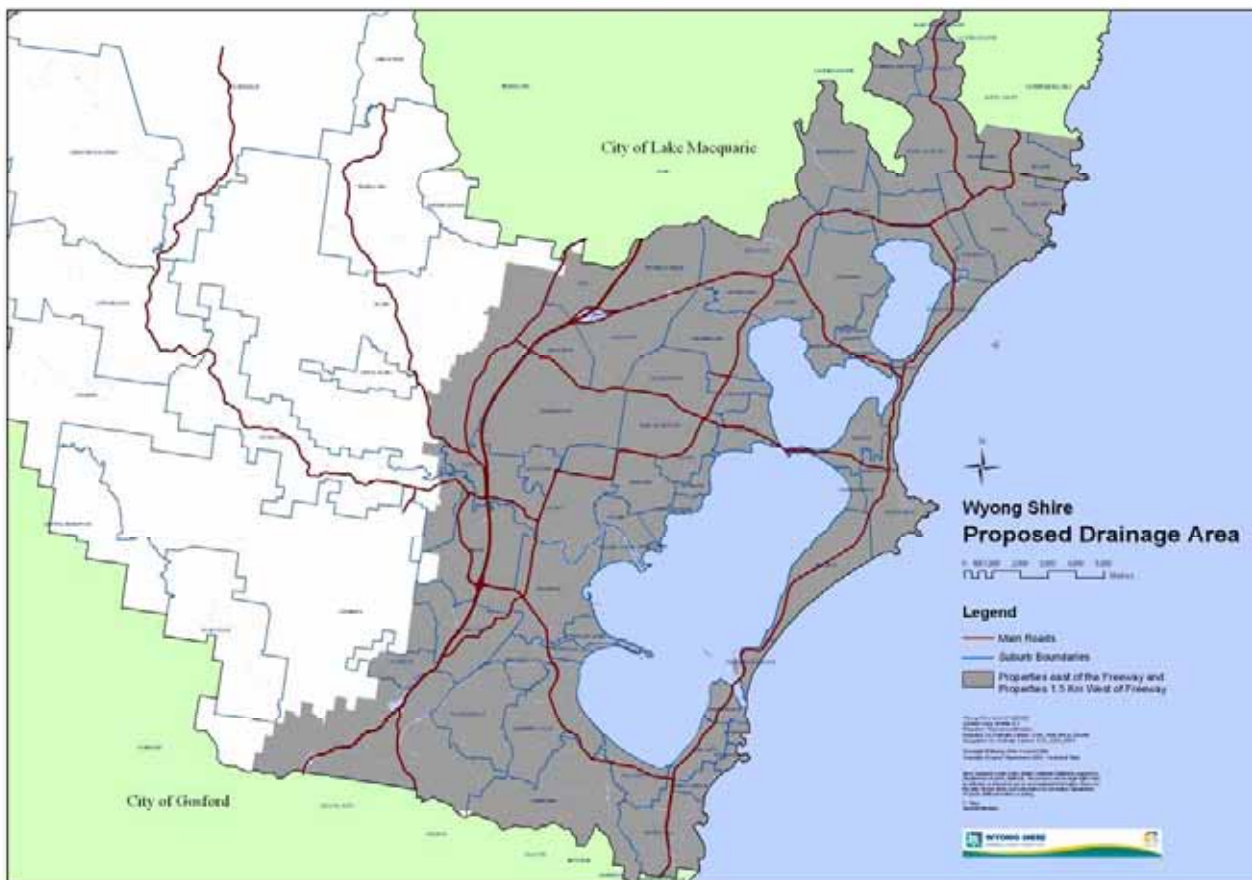
PHILLIP COSTA, M.P.,  
Minister for Water

### SCHEDULE 1

This Order applies to:

1. All parcels of land within Wyong Local Government Area located:
  - a. to the west of the F3 Sydney - Newcastle Freeway; and
  - b. within 1500 metres of the western edge of the F3 Sydney - Newcastle Freeway, whether partly or wholly, and
2. All parcels of land within Wyong Local Government Area located to the east of the F3 Sydney - Newcastle Freeway,

as shown in grey on the map below.



## Other Notices

### ABORIGINAL LAND RIGHTS ACT 1983

#### Notice

I, the Honourable Paul Lynch MP, Minister for Aboriginal Affairs, following approval by the New South Wales Aboriginal Land Council, do, by this notice pursuant to section 231(2) of the Aboriginal Land Rights Act 1983 (the Act) extend the appointment of Mr Terry Lawler as Administrator to the Koombahtoo Local Aboriginal Land Council for a period of three (3) calendar months, from 14 June 2009. During the period of his appointment, the Administrator will have all of the functions of the Koombahtoo Local Aboriginal Land Council and any other duties as specified by the instrument of appointment. The Administrator's remuneration and expenses are not to exceed \$45 000 excluding GST without the prior approval of NSWALC. The Administrator's remuneration may include fees payable for the services of other personnel within the Administrator's firm who provide services as agents of the Administrator.

Signed and sealed this 11th day of June 2009.

PAUL LYNCH, M.P.,  
Minister For Aboriginal Affairs  
GOD SAVE THE QUEEN

### ASSOCIATIONS INCORPORATION ACT 1984

#### Reinstatement of Cancelled Association pursuant to Section 54A

THE incorporation of DUBBO CITY AMATEUR SWIMMING CLUB INC – Y1427041 cancelled on 1 August 2008 is reinstated pursuant to section 54A of the Associations Incorporation Act 1984.

Dated: 10 June 2009.

ROBERT HAYES,  
A/Manager  
Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

### ASSOCIATIONS INCORPORATION ACT 1984

#### Reinstatement of Cancelled Association pursuant to Section 54A

THE incorporation of Hornsby & Asquith District Christian Education Association Inc (Y0839409) cancelled on 22 May 2009 is reinstated pursuant to section 54A of the Associations Incorporation Act 1984.

Dated: 11 June 2009.

ROBERT HAYES,  
A/Manager  
Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

### ASSOCIATIONS INCORPORATION ACT 1984

#### Cancellation of incorporation pursuant to sections 55A and 55B

TAKE NOTICE that the incorporation of the following associations is cancelled by this notice pursuant to sections 55A and 55B of the Associations Incorporation Act, 1984.

Cancellation is effective as at the date of gazettal.

The Palms Residents Community Club Incorporated  
Inc9887199

Dated: 16 June 2009.

ROBERT HAYES,  
A/Manager  
Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

### ASSOCIATIONS INCORPORATION ACT 1984

#### Cancellation of incorporation pursuant to section 54

TAKE NOTICE that the incorporation of the following associations is cancelled by this notice pursuant to section 54 of the Associations Incorporation Act, 1984.

Cancellation is effective as at the date of gazettal.

Australia China Real Estate & Finance Association  
Incorporated – Inc9886781

Australian Silent Majority Incorporated –  
Inc9885934

Careline (Armidale) Inc – Y0736129

Club Five Dock Golf Auxilliary Incorporated –  
Inc9885045

Dungutti Broncos Junior Rugby League Football Club  
Inc – Inc9882883

Health Services Management Association Australia  
Incorporated – Inc9876237

Illawarra Vikings Futsal Club Incorporated –  
Inc9888073

Moruya Youth Club Incorporated – Inc9885699

Mudgee Rail Group Incorporated – Inc9888274

Phoenix Baseball Club Incorporated – Inc9876277

Phoenix Rangers Soccer Club Incorporated –  
Inc9876276

Riverlands Polo Club Incorporated – Inc9878500

Spirit Combat Incorporated – Y2034305

Valentine Social Touch Football Club Incorporated –  
Inc9884723

Willoughby Residents against Plaza Overdevelopment  
Incorporated – Inc9887832

Dated 11 June 2009.

ROBERT HAYES,  
A/Manager Financial Analysis  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

**ASSOCIATIONS INCORPORATION ACT 1984**

Cancellation of incorporation pursuant to section 55A

TAKE NOTICE that the incorporation of the following associations is cancelled by this notice pursuant to section 55A of the Associations Incorporation Act, 1984.

Cancellation is effective as at the date of gazettal.

United In Christ World Wide Incorporated  
Inc9887888

The Wollongong Chapter of the Dante Alighieri Society  
Incorporated Y2400309

Newcastle United Swim Club Incorporated  
Inc9888990

Bombala Repeater Group Inc Y1906811

Asia Pacific (Chung Do Kwan) Tae Kwon Do Federation  
Incorporated Y1704533

Mudgee Dollars Association Incorporated Inc9884579

Okwu Uratta Improvement League Australia Chapter  
Incorporated Inc9887886

Sydney Quilt Study Group Incorporated Inc9878071

The Probus Club of Byron Bay Incorporated  
Y1199120

Grapevine International Norwest NSW Incorporated  
Inc9885950

Armidale Men's Action Network Incorporated  
Inc9889527

Bell River Catchment Community Incorporated  
Inc9885792

Grapevine International Incorporated Inc9884400

Grapevine International Northbridge NSW Incorporated  
Inc9885951

Theatre Dwa Konie Incorporated Inc9881469

Ceres Macarthur Incorporated Inc9881421

Meningococcal Education Incorporated Inc9884493

Dated 12 June 2009.

ROBERT HAYES,  
A/Manager, Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

**ASSOCIATIONS INCORPORATION ACT 1984**

Reinstatement of Cancelled Association Pursuant to  
Section 54A

The incorporation of Paterson River Pony Club Inc  
(Y0998726) cancelled on 22 August 2008 is reinstated  
pursuant to section 54A of the Associations Incorporation  
Act 1984.

Dated: 17th day of June 2009.

ROBERT HAYES,  
A/Manager, Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

**ASSOCIATIONS INCORPORATION ACT 1984**

Transfer of Incorporation Pursuant to Section 48(4)(A)

TAKE NOTICE that the Co-operative

*Armidale Community Radio Co-operative Ltd*

formerly registered under the provisions of the Co-operatives  
Act 1992 is now incorporated under the Associations  
Incorporation Act 1984 as

*Armidale Community Radio Incorporated*

effective 15 June 2009.

KERRI GRANT,  
Delegate of Commissioner  
Office of Fair Trading  
June 09

**ASSOCIATIONS INCORPORATION ACT 1984**

Reinstatement of Cancelled Association pursuant to  
Section 54A

THE incorporation of THE ORANGE FILM SOCIETY INC  
– Y0303023 cancelled on 4 April 2008 is reinstated pursuant  
to section 54A of the Associations Incorporation Act 1984.

Dated: 16 June 2009.

ROBERT HAYES,  
A/Manager  
Financial Analysis Branch  
Registry of Co-operatives & Associations  
Office of Fair Trading  
Department of Commerce

**ASSOCIATIONS INCORPORATION ACT 1984**

Cancellation of incorporation pursuant to section 54

TAKE NOTICE that the incorporation of the following  
associations is cancelled by this notice pursuant to section  
54 of the Associations Incorporation Act, 1984.

Cancellation is effective as at the date of gazettal.

NSW New Zealand Hockey Tours Incorporated  
Y3053343

Northern Beaches Ice Arena Incorporated Y2900823

The Indian Congress International Society Incorporated  
Y2984730

Emmanuel Christian Fellowship of Australia  
Incorporated Y2611929

Camden Wanderers Softball Club Incorporated  
Y2076626

ACEH Australia Association Incorporated Y3003314

The Australian Human Appeal Incorporated  
Y2908113

Avalon Outreach Centre Inc Y0898829

Georges River Environmental Alliance Incorporated  
Y2174333

Geurie Macquarie Landcare Group Incorporated  
Y2194031

Gorokan District Sailing Club Incorporated  
Y2322839

Goulburn & Districts Baseball League Incorporated  
Y2312500



- Graham Creek Landcare Incorporated Y2174823  
Greater West Sports Association Incorporated Y2189804  
Gruppo Della Amicizia Incorporated Y2194423  
Gundy Tennis Club Incorporated Y2135738  
Gelato Makers Association of Australia Incorporated Y2341638  
Goulburn Vision Incorporated Y2359512  
Graman Campdraft and Horse Sports Association Incorporated Y2367220  
The Greek Australian Association of Cultural Dance Incorporated Y2377216  
General Litigants Association Incorporated Inc2421202  
Glenwood Community Association Incorporated Inc9874402  
Gilgandra & District Polocrosse Club Incorporated Y2440048  
The Greek Australian Senior Citizen Group of St Marys and District "The Love" Incorporated Y2630140  
Gaming Device Industry Agents Association of Australia Incorporated Y2266718  
Gilgandra Invitation Racing Pigeon Club Incorporated Y2558848  
Glen Elgin Sports Club Inc Y0675905  
Gloucester Social Touch Football Club Inc Y1656806  
Grafton Womens Touch Football Association Inc. Y1486216  
Greta Branxton Football Club Incorporated Y0484718  
Greater Sydney Tattoo Committee Incorporated Y2698435  
Great Western Artistic Rollersports Club Incorporated Y1690416  
Guyra Amateur Basketball Association Incorporated Y2493117  
Gallymont Land Care Group Incorporated Y2543818  
Glebe Association for the Arts Incorporated Y2547708  
Glebe Residents Environmental Protection Association Incorporated Y2536225  
Glenreagh Swimming Pool Association Incorporated Y2527520  
Goodwill Volleyball Institute of Australia Incorporated Y2518227  
Greek Orthodox Community of Merrylands and District Incorporated Y2519420  
Grong Grong School of Arts and Commemoration Hall Incorporated Y2607033  
Greymantle Productions Incorporated Y2616522  
Griffith Road Safety Group Incorporated Y2724813  
The Group of Liberty and Creativity Incorporated Y2721332  
Grong Grong Landcare Group Incorporated Y2763016  
National Shoot'n'shuffle Association Incorporated Y2425629  
New Ballet West Incorporated Y2414244  
N1 Autosport Club Incorporated Y2324245  
NSW Waratah Kayak Incorporated Y2338621  
NCC Hunters Afl Club Incorporated Inc9874153  
The Norman Bates Society True Crime Club Incorporated Y2378801  
Northern NSW Air Cadets Association Incorporated Y2424240  
North Coast Regional Combined Unions Committee Incorporated Y2380331  
No Republic (Strathfield) Incorporated Y2343240  
Nsw Society for Mucosal Immunology Incorporated Y2331740  
New England Emergency Radio Unit Incorporated Y2121901  
New South Wales Ski Patrollers Training Association Incorporated Y2113409  
Nga Tamariki O Bondi Incorporated Y2196809  
Noah's Ark World Incorporated Y2160741  
No Republic (Sydney Eastern Suburbs) Incorporated Y2185326  
Northside Radio Controlled Circuit Racing Car Club Incorporated Y2188709  
North West Land-Sailing Club Incorporated Y2194325  
New South Wales Water Polo Referees Association Incorporated Y2509522  
Nsw Tamils Sports Club Inc Y0967447  
Northern Rivers Passionfruit Growers Association Incorporated Y2491417  
Northcompass Incorporated Y2190239  
Northwest Transport Forum Incorporated Y2679048  
New South Wales Tentpegging Association Inc Y0915718  
Nightcare Broken Hill Incorporated Y1749208  
North West Tennis Group Inc Y1553624  
The Northern Inland Youth Development Foundation Incorporated Y2402009  
North Tamworth Fishing Club Incorporated Y2756109  
Nsw Womens' Dog Club Inc Y1082346  
Nambucca Heads Landcare Group Incorporated Y2677103  
Nambucca Valley Dressage and Hacking Club Inc Y0049935  
Narromine Gym Club Incorporated Y2302308  
New England Musicians Guild Incorporated Y2625423  
Nicotine Replacement Therapy Association Incorporated Y2247919  
Nomads Motor Cycle Club Inc Y0614246  
NSW Injured Workers Association Incorporated Y2498445  
Lake Macquarie P.W.C. Association Incorporated Y2295709  
Lebanese Sanneen Folkloric Dancing Group Incorporated Y2141403  
Lebanese Social and Cultural Association Incorporated Y2224936

Listen! .... To The Music of Your Children Incorporated Y2114504	Foochow Foundation of Australia Incorporated Y2288606
Lower Tarcutta Landcare Group Incorporated Y2276518	Friends of the City Art Gallery Wagga Wagga Inc Y1397410
Lachlan Moonbi Landcare Group Incorporated Y2430934	Fairfield and District all Breeds Kennel Club Inc Y1287125
Lake Cargelligo Mardi Gras Incorporated Y2348323	Future School Swim Academy Incorporated Y2790944
Lake Cargelligo Progress Association Incorporated Y2441731	The Future Pioneers Australia (Fpa) Incorporated Y2742909
Latin American True Blue Soccer Association Incorporated Y2403937	The Friends of Currarong Creek Incorporated Y2742419
Leslie Chan (Po Chi Lum) Chinese Herbalist Association Incorporated Y2423243	Forster Markets Incorporated Y2757547
Liverpool Stars Ice Hockey Club Incorporated Y2326141	Friends of Lismore Park Incorporated Y2711728
Lochinvar Horse Trials Incorporated Y2368413	Friday Ashfield Swim Team (F.A.S.T.) Incorporated Y2598342
Lower Western Merino Breeders Association Incorporated Y2458510	Fyf Future Youth Foundation Incorporated Y2572221
Lake Keepit Van Owners Association Incorporated Y2493705	Filipino Women's Working Party (FWWP) Incorporated Y2569939
Lakes Christian Literature Centre Inc. Y0565816	Federation of Thracian Associations Of Australia Incorporated Y2544227
Linc Church Services Network Newcastle Inc Y1433441	Fairfield City Soccer Club Incorporated Y2513634
Manilla Open Gymkhana Association Incorporated Y2216542	Friends of Shellharbour City Library Incorporated Y2984044
Lyndhurst & District Rodeo Committe Incorporated Y2559012	Friends of Andrew Cohen Everywhere, Centre, Sydney Incorporated Y2447125
Macquarie Floodplains Landcare Association Incorporated Y2103119	Forest Districts Australian Football Club Inc Y0050027
Maitland Tug of War Club Incorporated Y2127932	Friends of The Sea Inc Y1013126
Menai Ozttag Sports Association Incorporated Y2111905	Friends of Ettamogah Sanctuary Inc Y1495901
Merriwa Netballers Incorporated Y2198901	Freedom Flyer Association Incorporated Y2682702
Metropolitan East Region Technology Educators Association Incorporated Y2290234	Focus on St George Committee Incorporated Y2199408
Moruya Physical Culture Club Incorporated Y2200809	Excel Soccer Incorporated Y2995429
Lower Dingo Creek Landcare Association Incorporated Y2553030	Ethiopian Orthodox Church St. Mary's Congregation Incorporated Y3008838
Macedonian Ensemble of Song & Dance Incorporated Y2266914	Engadine Touch Association Incorporated Y3057135
Gloucester National Dancing Association Incorporated Y0520602	Emmaville Soccer Club Incorporated Y2993827
Glen Innes and District Amateur Radio Club Incorporated Y0559416	Empire Hotel Social Fishing Club Inc Y1584903
Grenfell District Development Organisation Incorporated Y2866100	Expansion Ministries Incorporated Y2771802
Governors Foundation Incorporated Y2797531	Eurobodalla Rivers Canoe Club Incorporated Y2781406
Friends of Yamba Pool Incorporated Y3016840	Eotaa Essential Oil Trade Association of Australia Incorporated Y2822618
Friends of NLD (Australia) Incorporated Inc3414540	Engadine Encore Incorporated Y2806222
4 The Kids Incorporated Y3063437	Emu Creek Landcare Group Incorporated Y2803819
Filipino-Australian Society of The Southern Highlands Incorporated Y3007008	E.C.O. Incorporated Y2746848
Forster Town Centre Incorporated Y2912617	Eyesight International Group Incorporated Y2705524
Ffish Incorporated Y2979915	Euraldrie Landcare Group Incorporated Y2663805
Federation of Reformed Christian Churches of The Pacific Australia Incorporated Y2911914	Euston Junior Football Club Inc Y1589545
Four Creeks Landcare Group Incorporated Y2436132	Dungarubba Soccer Club Incorporated Y3014209
	Diwali Association (Australia) Incorporated Y3044442
	Dapto Rugby Union Club the Boomerangs Incorporated Y3019341
	Dorrigo Dirt Bike Club Incorporated Y2960848
	Deniliquin Boat Owners Association Inc Y0975008



Dundas Musical Society Incorporated Y2867146  
 Deniliquin Road Safety Group Incorporated  
 Y2796828  
 Drake Motorcycle Club Inc Y2704429  
 Delungra Cricket Club Incorporated Y2706619  
 Durrumbul Jazz Festival Incorporated Y2658010  
 The Deniliquin Dressage Club Incorporated  
 Y2635419  
 Distinguished Citizens Society International Australia  
 Incorporated Y2538709  
 Dalton Sports & Gymkhana Committee Incorporated  
 Y2515334  
 Dynamite Dogs Incorporated Y2142939  
 Dubbo City Tourism Association Incorporated  
 Y2531730  
 The Dog on The Tuckerbox Festival Incorporated  
 Y2269709  
 Deniliquin Fire Demonstration Association Inc  
 Y1588548  
 Drugwatch Australia Incorporated Y2642522  
 Uruguayan Community House Incorporated  
 Y2504439  
 Queen Victoria Memorial Hospital Support Committee  
 Incorporated Y2321401  
 Brahman-Purohit Sabha of Australia Incorporated  
 Y2191040  
 Chauffeured Limousine Association of NSW  
 Incorporated Y2866443  
 Illawarra Eco-Tourism Association Incorporated  
 Y3051300

Dated: 15 June 2009.

ROBERT HAYES,  
 A/Manager, Financial Analysis Branch  
 Registry of Co-operatives & Associations  
 Office of Fair Trading  
 Department of Commerce

#### COMPANION ANIMALS REGULATION 2008

##### ORDER

Organisations approved by the Director General under clause 16(d) of the Companion Animals Regulation 2008.

PURSUANT to clause 16(d) of the Companion Animals Regulation 2008 the organisation listed in Schedule 1 is hereby approved, subject to the conditions contained in Schedule 2.

##### SCHEDULE 1

<i>Name of organisation</i>	<i>Address of organisation</i>	<i>Name of contact officer for organisation</i>
4 Paws Rescue NSW Incorporated	PO Box 48 LURNEA NSW 2170	Ms Sue Sommerfield

##### SCHEDULE 2

1. The exemption under clause 16(d) of the Companion Animals Regulation 2008 from the requirements of section 9 of the Companion Animals Act 1998 only applies to an animal in the custody of an organisation listed in Schedule 1 if the organisation is holding that animal for the sole purpose of re-housing the animal with a new owner.

2. The exemption under clause 16(d) of the Companion Animals Regulation 2008 from the requirements of section 9 of the Companion Animals Act 1998 only applies to an animal in the custody of an organisation listed in Schedule 1 if the organisation maintains appropriate records that show compliance with the Companion Animals Act 1998, Companion Animals Regulation 2008 and the Guidelines for Approval to be an Organisation Exempt from Companion Animal Registration under Clause 16(d) of the Companion Animals Regulation 2008.
3. The exemption under clause 16(d) of the Companion Animals Regulation 2008 from the requirements of section 9 of the Companion Animals Act 1998 only applies to an animal in the custody of an organisation listed in Schedule 1 if the organisation maintains a register that is made available to the relevant local council and the Department of Local Government as requested. The Register must list the names of all carers involved in the rehoming of animals and the locations of all animals received under the exemption while in the custody of the organisation.
4. The exemption under clause 16(d) of the Companion Animals Regulation 2008 from the requirements of section 9 of the Companion Animals Act 1998 expires five years from the date of this order, unless revoked or varied at an earlier time.

Date: 16th June 2009.

ROSS WOODWARD,  
 Acting Director General  
 Department of Local Government

#### DEFAMATION ACT 2005

##### ORDER

I, JOHN HATZISTERGOS, MLC, Attorney General, in pursuance of section 35(3) of the Defamation Act 2005, by this order, declare the amount that is to apply for the purposes of section 35(1) of the Defamation Act 2005 to be \$294,500 from 1 July 2009.

Signed at Sydney, this 12th day of June 2009.

JOHN HATZISTERGOS,  
 Attorney General

#### ENERGY AND UTILITIES ADMINISTRATION (WATER CONTRIBUTIONS) ORDER 2008

I, The Hon CARMEL Tebbutt MP, Minister for Climate Change and the Environment, with the concurrence of The Hon PHILLIP COSTA MP, Minister for Water, and The Hon BARBARA PERRY MP, Minister for Local Government, make the following Order under section 34J of the Energy and Utilities Administration Act 1987.

This Order takes effect on the date that it is published in the Gazette.

Dated at Sydney, this 16th day of June 2009.

CARMEL Tebbutt, M.P.,  
 Minister for Climate Change and the Environment

##### Explanatory note

Section 34J of the Energy and Utilities Administration Act 1987 provides that the Minister may, by order published in the Gazette, require any one or more State water agencies

to make an annual contribution for a specified financial year to the Climate Change Fund. The purpose of this Order is to require defined State water agencies to make an annual contribution to the Climate Change Fund for the financial year commencing 1 July 2008.

### 1. Name of Order

This Order is the Energy and Utilities Administration (Water Contributions) Order 2008.

### 2. Commencement

This Order commences on the date that it is published in the Gazette.

### 3. Interpretation

The Explanatory Note to this Order does not form part of the Order.

### 4. Definitions

*State water agency* means a State Water agency listed in column 1 of Schedule 1.

### 5. Annual contribution

- (1) A State water agency is required to make an annual contribution to the Climate Change Fund for the financial year commencing 1 July 2008.
- (2) The amount of the annual contribution to be paid by a State water agency is as set out in column 2 of Schedule 1.

### 6. Time for payment

The annual contribution is to be paid in full by 30 June 2009.

#### Schedule 1

<i>Column 1</i>	<i>Column 2</i>
State water agency	Annual contribution
Sydney Water	\$36,024,668
Gosford City Council	\$1,050,000
Wyong Shire Council	\$950,000

### GEOGRAPHICAL NAMES ACT 1966

Notice of Proposal to Determine Address Locality Names and Boundaries

Within the Gundagai Local Government Area

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to determine address locality names and boundaries in the Gundagai Local Government Area as shown on map GNB3768.

The following twelve names are proposed for address localities as shown on map GNB3768: Adjungbilly, Burra Creek, Coolac, Darbalara, Gobarralong, Gundagai, Jones Creek, Mundarlo, Muttama, Nangus, South Gundagai and Tumblong.

Map GNB3768 may be viewed at Gundagai Council Administrative Offices, 255 Sheridan Street Gundagai, Jugiong Post Office, Riverside Drive Jugiong and Gundagai Post Office, 104 Sheridan Street Gundagai from Thursday 18 June 2009 until Friday 19 July 2009.

A copy of Map GNB3768 will also be on display at the office of the Geographical Names Board, Land and Property Information, 346 Panorama Ave, Bathurst NSW 2795 during the above dates. This proposal may also be viewed and submissions lodged on the Geographical Names Board web site at [www.gnb.nsw.gov.au](http://www.gnb.nsw.gov.au) during the above dates.

Any person wishing to make comment upon this proposal may prior to Friday 19 July 2009 write to the Secretary of the Board with that comment.

All submissions lodged in accordance with section 9 of the Geographical Names Act 1966 may be subject to a freedom of information application.

WARWICK WATKINS,  
Chairperson

Geographical Names Board  
PO Box 143  
BATHURST NSW 2795

### GEOGRAPHICAL NAMES ACT 1966

Notice of Proposal to Determine Address Locality Names and Boundaries

Within the Jerilderie Local Government Area

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to determine address locality names and boundaries in the Jerilderie Local Government Area as shown on map GNB3776.

The following twelve names are proposed for address localities as shown on map GNB3776: Argoon, Berrigan, Bundure, Coleambally, Coree, Finley, Gala Vale, Jerilderie, Logie Brae, Mairjimmy, Nyora and Oaklands.

Map GNB3776 may be viewed at Jerilderie Council Administrative Offices, 30 Jerilderie Street Jerilderie, Berrigan Post Office, 80 Jerilderie Street Berrigan, Finley Post Office, 33 Denison Street Finley and Jerilderie Post Office, 36/38 Jerilderie Street Jerilderie from Wednesday 17 June 2009 until Friday 17 July 2009.

A copy of Map GNB3776 will also be on display at the office of the Geographical Names Board, Land and Property Information, 346 Panorama Ave, Bathurst NSW 2795 during the above dates. This proposal may also be viewed and submissions lodged on the Geographical Names Board web site at [www.gnb.nsw.gov.au](http://www.gnb.nsw.gov.au) during the above dates.

Any person wishing to make comment upon this proposal may prior to Friday 17 July 2009 write to the Secretary of the Board with that comment.

All submissions lodged in accordance with section 9 of the Geographical Names Act 1966 may be subject to a freedom of information application.

WARWICK WATKINS,  
Chairperson

Geographical Names Board  
PO Box 143  
BATHURST NSW 2795

**GEOGRAPHICAL NAMES ACT 1966**

## Notice of Amendment of Address Locality Boundaries

In the Port Macquarie Hastings Local Government Area

PURSUANT to the provisions of section 10 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it has this day amended the address locality boundaries of Thrumster, Lake Innes, Port Macquarie, Fernbank Creek and Sancrox in the Port Macquarie Hastings Local Government Area as shown on map GNB3772-2.

The position and extent for these features are shown in the Geographical Names Register of New South Wales which can be viewed on the Geographical Names Board web site at [www.gnb.nsw.gov.au](http://www.gnb.nsw.gov.au)

WARWICK WATKINS,  
Chairperson

Geographical Names Board  
PO Box 143  
BATHURST NSW 2795

**GEOGRAPHICAL NAMES ACT 1966**

PURSUANT to the provisions of Section 7(1) of the Geographical Names Act 1966, the Geographical Names Board has this day assigned the geographical names for the reserves listed below in the Liverpool City Council area as recorded names. GNB 5321.

<i>Name</i>	<i>Description</i>
Leacock Regional Park	A 34 hectare Regional Park located at Leacocks Lane, Casula
Glen Regent Reserve	A reserve located at 132 Leacocks Lane, Casula
Peter Miller Park	A reserve located at 80 and 90 Cedar Road, Casula.
Elizabeth Park	A reserve bounded by Angela St, Highgrove Ct and Airlie Cres, Cecil Hills
Longfields Park	A reserve located at Feodore Dv, Cecil Hills
Woolway Park	A reserve located at Cowpasture Road, Cecil Hills
Nebbia Park	A reserve located at Windsor Road, Cecil Hills
Ward Park	A reserve located at Lancaster Avenue, Cecil Hills
Gough Park	A reserve located at Feodore Drive, Cecil Hills
Dunumbral Park	part Lot 1 DP 1012825, Spencer Road, Cecil Hills
Nelson Phillis Park	A reserve located at Cowpasture Road, Green Valley
Paramor Reserve	A reserve located both sides of Capricorn Blvd, Green Valley
Cordelia Park	A reserve located at Bluff St, Green Valley
Colin Anslow Park	A reserve located at 13 Godwit Close, Hinchinbrook
Ash Road Sports Ground	A reserve located at Ash Road, Prestons.
Bert Burrows Park	A reserve located at Inverell Avenue, Hinchinbrook
Cabrogal Reserve	A reserve between Rossini Drive and Wardang Road at Hinchinbrook

Daydream Reserve	A reserve located at Daydream Crescent, Hinchinbrook
Pavo Park	A reserve between Pavo Close and Pegasus Avenue, Hinchinbrook
Bedwell Park	A reserve located at the corner Cowpasture Road and Stuart Road, Horningsea Park
Bunya Park	A reserve located at Twynam Place, Horningsea Park
Heleneus Scott Reserve	A reserve located at McCredie Drive Horningsea Park
Hurley Park	A reserve bounded by Tate Crescent, Home Ave and Balmain Avenue, Horningsea Park
Lyons Park	A reserve located at Rawson Crescent, Horningsea Park
Percy Rabett park	A reserve located at Taubman Drive, Horningsea Park
Schoeffel Park	A reserve located at Strzlecki Drive, Horningsea Park
Alex Grimson Reserve	A reserve between Merriwa Avenue and Pacific Palms Circuit, Hoxton Park
Dalmeny Reserve	A reserve at Dalmeny Drive, Prestons
Fintray Park	A reserve at Dalmeny Drive, Prestons
Harvard Park	A reserve at Braidwood Drive, Prestons
MacLeod Park	A reserve at Braidwood Drive, Prestons
Morris Park	A reserve at Thirroul Circuit, Prestons
Retallack Park	A reserve at Braidwood Drive, Prestons
Sid Neville Reserve	A reserve at Braidwood Drive, Prestons
Varley Park	A reserve at Bundanoon Road, Prestons
Ayshford Reserve	A reserve at Verge Place, West Hoxton
Glendevie Park	A reserve at Glendevie Street, West Hoxton
Greenway Park	A reserve at Greenway Drive, West Hoxton
Riddell Park	A reserve at Riddell Street West Hoxton
Walter Baldrey Park	A reserve at Scottsdale Circuit, West Hoxton

The position and the extent for these features are recorded and shown within the Geographical Names Register. This information can be accessed through the Board's website at [www.gnb.nsw.gov.au](http://www.gnb.nsw.gov.au)

WARWICK WATKINS,  
Chairperson

Geographical Names Board,  
PO Box 143, Bathurst NSW 2795

**HUNTER-CENTRAL RIVERS CATCHMENT MANAGEMENT AUTHORITY**

Determination Concerning Catchment Contributions  
1 July 2009 to 30 June 2010

Schedule 4 of the Catchment Management Authorities Act (2003)

THE Hunter-Central Rivers Catchment Management Authority in pursuance of Schedule 4 of the Catchment Management Authorities Act (2003) and in accordance with the Hunter-Central Rivers Catchment Management

Authority Regulation 2005, does hereby make the following determination in respect of the year commencing 1 July 2009:

- a. It proposes to raise \$3,359,240 by way of catchment contribution.
- b. The catchment contribution is to be levied on all rateable land within the Hunter catchment contribution area as delineated by maps held at the authority's offices.
- c. The basis of the catchment contribution is a rate based on land values provided by the appropriate local government councils.
- d. The catchment contribution rate for the year commencing 1 July 2009 will be 0.0106 of a cent in the dollar (land value).

Dated at Paterson this twenty-sixth day of May, 2009.

THE COMMON SEAL OF THE	)	
HUNTER-CENTRAL RIVERS	)	L.S.
CATCHMENT MANAGEMENT	)	(Sgd) W.E.J. Paradise
AUTHORITY was affixed hereto	)	
this twenty-sixth day of May 2009	)	
pursuant to a resolution of the	)	Chairman
Authority in the presence of	)	(Sgd) A Burns
two board members whose	)	Board Member
signatures appear opposite hereto	)	

#### INCORPORATION OF PARENTS AND CITIZENS ASSOCIATIONS

THE following associations are hereby incorporated under the Parents and Citizens Associations Incorporation Act 1976.

1. Henry Fulton Public School
2. Holsworthy Public School

VERITY FIRTH, M.P.,  
Minister for Education and Training

#### LOCAL GOVERNMENT ACT 1993

##### ERRATUM

MARIE BASHIR, Governor

I, Professor Marie Bashir AC, CVO, Governor of the State of New South Wales, with the advice of the Executive Council, do amend the proclamation published in Government Gazette No 50 of 6 March 2009, altering the boundaries of the Areas of Walgett Shire and Narrabri Shire in the manner outlined in the schedule below.

Signed and sealed at Sydney, this 3rd day of June 2009.

By Her Excellency's Command,

BARBARA PERRY, M.P.,  
Minister for Local Government

GOD SAVE THE QUEEN!

##### SCHEDULE

1. Altering the area of 2.12 Hectares referred to in schedule A of the proclamation to 21.2 Hectares.
2. Altering the total area of Narrabri Shire referred to in schedule B of the proclamation to 13126.45 square kilometres.
3. Altering the total area of Walgett Shire referred to in schedule C of the proclamation to 22007.45 square kilometres.

#### NATIONAL PARKS AND WILDLIFE ACT, 1974

##### Proclamation

I, Professor MARIE BASHIR, A.C., C.V.O, Governor of the State of New South Wales, with the advice of the Executive Council and in pursuance of the powers vested in me under Section 68 of the National Parks and Wildlife Act, 1974, with the consent of every owner and occupier do, on the recommendation of the Director-General of the Department of Environment and Climate Change, by this my Proclamation declare the lands described hereunder to be a wildlife refuge for the purposes of the abovementioned Act.

To be known as "Don McColl Wildlife Refuge"

Signed and sealed at Sydney this 3rd day of June 2009.

MARIE BASHIR,  
Governor

By Her Excellency's Command

CARMEL TEBBUTT, M.P.,  
Minister for Climate Change and the Environment

GOD SAVE THE QUEEN!

##### Description

*Land District – Yass;  
Council – Yass Valley*

County of Murray, Parish of Boambolo, 101.38 hectares, being lots 203, 207 and 217 DP754869. DECC FIL08/7757.

#### NATIONAL PARKS AND WILDLIFE ACT, 1974

##### Proclamation

I, Professor MARIE BASHIR, A.C., C.V.O, Governor of the State of New South Wales, with the advice of the Executive Council and in pursuance of the powers vested in me under Section 68 of the National Parks and Wildlife Act, 1974, with the consent of every owner and occupier do, on the recommendation of the Director-General of the Department of Environment and Climate Change, by this my Proclamation declare the lands described hereunder to be a wildlife refuge for the purposes of the abovementioned Act.

To be known as "Bluey's Run Wildlife Refuge"

Signed and sealed at Sydney this twenty seventh day of May 2009.

MARIE BASHIR,  
Governor

By Her Excellency's Command

CARMEL, TEBBUTT, M.P.,  
Minister for Climate Change and the Environment

GOD SAVE THE QUEEN!

##### Description

*Land District – Goulburn;  
Council – Goulburn Mulwaree*

County of Argyle, Parish of Nerrimunga, 12.5 hectares, being lot 3 DP 750039. DECC FIL09/3958.



**NATIONAL PARKS AND WILDLIFE ACT 1974**

Bindarri National Park  
 Conjola National Park  
 Kangaroo Valley Group of Nature Reserves  
 Kemendok Nature Reserve  
 Kumbatine National Park and State Conservation Area  
 Sherwood Nature Reserve  
 Tingira Heights Nature Reserve  
 Plans of Management

THE Minister for Climate Change and the Environment adopted a plan of management for Kemendok Nature Reserve on 12th January 2009, a plan for Bindarri National Park on 6th March 2009, a plan for Kumbatine National Park and Kumbatine State Conservation Area on 18th March 2009, a plan for Sherwood Nature Reserve on 20th March 2009, plans for Conjola National Park and the Kangaroo Valley Group of Nature Reserves (incorporating Kangaroo River Nature Reserve, Cambewarra Range Nature Reserve, Barrengarry Nature Reserve and Rodway Nature Reserve) on 18th April 2009, and a plan for Tingira Heights Nature Reserve on 22nd April 2009.

Copies of the Bindarri and Sherwood plans may be obtained from the NPWS office at Level 3, 49 Victoria Street, Grafton (phone 6641 1500). Copies of the Conjola and Kangaroo Valley plans may be obtained from the NPWS office at 55 Graham St, Nowra (phone 4423 2170). Copies of the Kemendok plan may be obtained from the NPWS office at corner Sturt Highway and Melaleuca Street, Buronga (phone 03 5021 8900). Copies of the Kumbatine plan may be obtained from the NPWS office at 152 Horton Street, Port Macquarie (phone 6584 2203), and copies of the Tingira Heights plan may be obtained from the NPWS office at 207 Albany Street North, Gosford (phone 4320 4280). The plans are also on the web site: [www.environment.nsw.gov.au](http://www.environment.nsw.gov.au).

**NATIONAL PARKS AND WILDLIFE ACT, 1974**

## Proclamation

I, Professor MARIE BASHIR, A.C., C.V.O, Governor of the State of New South Wales, with the advice of the Executive Council and in pursuance of the powers vested in me under Section 68 of the National Parks and Wildlife Act, 1974, with the consent of every owner and occupier do, on the recommendation of the Director-General of the Department of Environment and Climate Change, by this my Proclamation declare the lands described hereunder to be a wildlife refuge for the purposes of the abovementioned Act.

To be known as "Parraweena Wildlife Refuge"

Signed and sealed at Sydney this twenty seventh day of May 2009.

MARIE BASHIR,  
 Governor

By Her Excellency's Command

CARMEL TEBBUTT, M.P.,  
 Minister for Climate Change and the Environment

GOD SAVE THE QUEEN!

## Description

*Land District – Queanbeyan;  
 Council – Palerang*

County of Murray, Parish of Amungula, 8 hectares, being lot 79 DP259405. DECC FIL09/2435.

**PESTICIDES ACT 1999**

## Notice under Section 48 (4)

NOTICE is hereby given, pursuant to Section 48(4) of the Pesticides Act 1999, that I have granted an Aircraft (Pesticide Applicator) Licence, particulars of which are stated in the Schedule.

SEAN NUNAN,  
 Team Leader Licensing and Registration  
 Department of Environment and Climate Change  
 by delegation

## SCHEDULE

## Aircraft (Pesticide Applicator) Licence

<i>Name and address of Licensee</i>	<i>Date of Granting of Licence</i>
Rotor Solutions Australia Pty Ltd 373 Knoble Road WIRLINGA NSW 2640	10 June 2009

**SUBORDINATE LEGISLATION ACT 1989**

## Centennial Park and Moore Park Trust Regulation 2009

In accordance with Section 5 of the Subordinate Legislation Act 1989, notice is given of the intention to make a minor revision to the Centennial Park and Moore Park Trust Regulation 2004 as required under the Centennial Park & Moore Park Trust Act 1983.

The object of this proposal is to repeal the existing Regulation on 1 September 2009 and remake the Regulation with minor modifications.

Copies of the proposed regulation and the regulatory impact statement may be inspected at the Parklands Office, Banksia Way, Centennial Park, online at [www.centennialparklands.com.au](http://www.centennialparklands.com.au) or by contacting the Centennial Park and Moore Park Trust at Locked Bag 15, Paddington NSW 2021, phone (02) 9339 6699, or email [info@centennialparklands.com.au](mailto:info@centennialparklands.com.au)

Comments and submissions on the new regulation are welcome and must be received at the Parklands Office by no later than 5.00 pm Monday, 20 July 2009. Envelopes and email submissions should be clearly marked 'Regulation Submissions.'

## CASINO CONTROL ACT 1992

### Order

PURSUANT to section 66(1) of the Casino Control Act 1992, the Casino, Liquor and Gaming Control Authority does, by this Order, approve the following amendments to the rules for the playing of the game of "Sic Bo" in the casino operated by Star City Pty Limited under licence granted by the Casino Control Authority on 14 December 1994:

**(1) Amendments to the rules for the playing of "Sic Bo"**

The existing rules for the playing of the game of "Sic Bo" in the casino are repealed and in substitution therefore, the rules as set forth in the attachment hereto are approved.

This Order shall take effect on from the date of publication.

Signed at Sydney, this 11th day of June 2009.

RON HARREX,  
Chief Executive  
for and on behalf of the  
Casino, Liquor and Gaming  
Control Authority.

# SIC BO

1. **Definitions**
  2. **Table Layout and Equipment**
  3. **Wagers**
  4. **Minimum and Maximum Wagers**
  5. **Play of the Game**
  6. **Super Streak**
  7. **Settlement**
  8. **Rapid Sic Bo**
  9. **Irregularities**
  10. **General Provisions**
- Diagram 'A', 'B', 'C' and 'D'**

## 1. Definitions

"**Act**" means the Casino Control Act 1992;

"**ATS**" means an automated transaction station featuring a touch screen monitor designed to allow a player to place wagers on an electronic Sic Bo layout in accordance with these rules;

"**ATS chip account**" means an account established under rule 8.2.2;

"**casino promotional voucher**" means a voucher of a nominated value issued by the casino operator to enable a player to wager at a gaming table to the amount identified on the voucher, subject to any conditions specified on the voucher. Where a player presents a promotional voucher at a gaming table the dealer shall exchange the voucher for an equivalent value in chips, promotional tokens, or to the credit of an ATS chip account, which may then be wagered on the appropriate area(s) of the layout. Any winnings resulting from such wagers are to be paid in chips or credited to the ATS chip account;

"**casino supervisor**" means a person employed in a casino in a managerial capacity relating to the conduct of gaming and includes a games supervisor;

"**colour checks**" means chips without denomination markings;

"**dealer**" means a person responsible for the operation of the game;

"**game hardware**" means all the computer equipment needed for the conduct of the game of Rapid Sic Bo, including one or more ATS, one or more printers, an SGC and routing, networking and communications devices and cabling;

"**games supervisor**" means a person responsible for the immediate supervision of the operation of the game;

"**game system**" means the configuration of software and game hardware necessary to conduct the game of Rapid Sic Bo at any time when it is not connected to a central monitoring system, but does not include a WND;

"**inspector**" means a person appointed under section 20 of the Casino, Liquor and Gaming Control Act 2007;

"**marker button**" means a button used to denote the value of colour checks;

"**Rapid Sic Bo**" means a variation of the game of Sic Bo;

"**SGC**" means streamlined game console:

- designed to enable the dealer to enter all information required for the operation of the Rapid Sic Bo game system, including player buy-in amounts and confirmations, player payouts, outcomes of games, permissible wagers; and
- designed to provide the dealer with all information in the Rapid Sic Bo game system which the dealer requires for the purpose of conducting the game; and
- designed to enable a casino supervisor to manage the Rapid Sic Bo game functions;



“**Super Streak**” is an optional additional wager which may be made by a player in accordance with rule 6;

"**total**" means the sum of the numbers shown on the uppermost sides of the three dice;

“**triple**” is a result consisting of three dice of the same value;

"**value chips**" means chips marked with denominations of value;

"**void**" means invalid with no result.

“**wagering period**” for the purposes of Rapid Sic Bo means the period determined by the casino supervisor during which a player is permitted to place, move or cancel bets. The period commences when the dealer starts a new game via the SGC and finishes either when the game clock expires or wagering has been closed via an electronic sensor.

“**WND**” (**Winning Number Display**) means an electronic display and sensor that may, at the discretion of the casino operator, be attached to a table for the purpose of recording and displaying the present and most recent winning results at the table.

## 2. Table Layout and Equipment

- 2.1 The game of Sic-Bo shall be played at a table having on one side places for the players and on the opposite side a place for the dealer(s).
- 2.2 The layout of the table shall display the name and/or logo of the casino, or the name and/or logo of the Private Gaming Rooms, shall have areas designated for the placement of wagers and shall be marked in a manner substantially similar to that shown in diagram ‘A’, ‘B’, ‘C’ or ‘D’. The diagrams for ‘C’ and ‘D’ represent an electronic version of the table layout.
- 2.3 The table shall be fitted with electronic equipment which shall be programmed so that when the three winning numbers corresponding to a declared result of a game are entered into the equipment by the activation of the relevant numbered buttons or switches, all the winning areas of the layout shall be illuminated.
- 2.4 A dice tumbler, either mechanically or electronically activated, shall be affixed to the table, have a dome-shaped, removable, non-transparent cover and be used to tumble the dice.
- 2.5 A set of three dice shall be sealed in the dice tumbler. The sides of each die shall be numbered by the use of dots from one to six, so arranged that the sum of the numbers of any pair of opposite sides on each die is seven.
- 2.6 An entry terminal, linked to the electronic equipment referred to in rule 2.3, shall be attached to the top of the table and have switches or buttons numbered 1, 2, 3, 4, 5 and 6. Alternately, a touch screen may be used which offers the following options : Shake Dice, No More Bets, Cocked Dice and Enter Results, as well as the numbers 1, 2, 3, 4, 5, and 6.
- 2.7 The following equipment shall also be used:
- 2.7.1 marker buttons, constructed of plastic in different colours, sufficient to indicate the values of the colour checks in use at the table.

2.8 The table shall have a drop box attached to it.

### 3. Wagers

3.1 The wagers defined in this rule shall be the permissible wagers by a player at the game of Sic-Bo:

3.1.1 "Small" means a wager which shall:

3.1.1.1 win if any of the totals of 4, 5, 6, 7, 8, 9 or 10 appears in any combination of the three dice, with the exception of triple 2 or triple 3;

3.1.1.2 lose if any other total or a triple appears.

3.1.2 "Big" means a wager which shall:

3.1.2.1 win if any of the totals of 11, 12, 13, 14, 15, 16 or 17 appears in any combination of the three dice, with the exception of triple 4 or triple 5;

3.1.2.2 lose if any other total or a triple appears.

3.1.3 "Odd" means a wager which shall:

3.1.3.1 win if any of the totals of 5, 7, 9, 11, 13, 15 or 17 appears in any combination of the three dice, with the exception of triple 3 or triple 5;

3.1.3.2 lose if any other total or a triple appears.

3.1.4 "Even" means a wager which shall:

3.1.4.1 win if any of the totals of 4, 6, 8, 10, 12, 14 or 16 appears in any combination of the three dice, with the exception of triple 2 or triple 4;

3.1.4.2 lose if any other total or a triple appears.

3.1.5 "Specific Triples" means a wager on any one of the specific triples 1, 2, 3, 4, 5, or 6, which shall win if that triple appears and shall lose if any other combination appears.

3.1.6 "Specific Doubles" means a wager on any one of the specific doubles 1, 2, 3, 4, 5 or 6, which shall win if that double or win once only if a triple of the same number appears, and shall lose if any other combination appears.

3.1.7 "Any Triple" means a wager on any triple 1, 2, 3, 4, 5 or 6 which shall win if a triple appears and shall lose if any other combination appears.

3.1.8 "Three Dice Totals" means a wager on any one of the totals 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 or 17 which shall win if that total appears in any combination of the three dice and shall lose if any other total

appears.

3.1.9 "Four Number Combinations" of

1, 2, 3 and 4  
2, 3, 4 and 5  
2, 3, 5 and 6  
3, 4, 5 and 6

means a wager on any one of these specific combinations which shall win once only if any three of the four numbers appear on the dice and shall lose if any other combination appears.

3.1.10 "Dice Combinations" of

1 and 2, 3, 4, 5 or 6  
2 and 3, 4, 5 or 6  
3 and 4, 5 or 6  
4 and 5 or 6  
5 and 6

means a wager on any one of these specific combinations which shall win once only if that combination appears on two or more of the dice and shall lose if any other combination appears;

3.1.11 "Single Die Bet" means a wager on any one of the numbers 1, 2, 3, 4, 5, or 6, which shall win if that number appears on one or more of the dice and shall lose if that number does not appear.

- 3.2 All wagers shall be made by placing value chips or colour checks and/or casino promotional tokens on the appropriate wagering areas of the layout.
- 3.3 The colour checks of a set shall each bear the same distinguishing emblem or mark to differentiate them from colour checks of other sets in use at other tables. Each set shall be subdivided into various colours.
- 3.4 Colour checks issued at a Sic-Bo table shall only be used for gaming at that table and shall not be used for gaming at any other table in the casino.
- 3.5 Colour checks shall only be presented for redemption at the table from which they were issued and shall not be redeemed or exchanged at any other location in the casino unless that table is closed at the time of the redemption request.
- 3.6 No player shall be issued with colour checks which are identical in colour and design to colour checks which have been issued to another person at the same table unless the player(s) issued with the chips agree to the issue.
- 3.7 Where a player purchases colour checks, the specific value to be assigned to each shall be ascertained by the dealer and if that value exceeds the table minimum it shall be denoted by a colour check and a related marker button bearing a number on it to designate the value set by that player.
- 3.8 At the discretion of a casino supervisor, a player may be issued with colour checks of more than one colour at the same table, provided that as a result, no other player is precluded from wagering with colour checks. In such instances the colours

issued to the one player shall be designated the same value.

- 3.9 A wager cannot be withdrawn, placed or changed after the dealer has called "no more bets" and/or indicated by hand movements above the layout that betting is to cease. On completion of the hand movement no more bets will be allowed.
- 3.10 Wagers orally declared shall be accepted only when accompanied by chips or colour checks or casino promotional tokens and the dealer has sufficient time to place the wager on the layout prior to "no more bets" being called.
- 3.11 Players are responsible for the positioning of their wagers on the layout, whether or not they are assisted by the dealer. Players must ensure that any instructions given to the dealer regarding the placement of wagers is correctly carried out.
- 3.12 Wagers shall be settled strictly in accordance with the position of chips or colour checks or casino promotional tokens on the layout when the cover of the dice tumbler is removed.

#### **4. Minimum and Maximum Wagers**

- 4.1 The minimum and maximum wagers permitted by a player shall be shown on a sign at the table. Unless stated on the sign, wagers are not required to be made in multiples of the minimum. The sign may also state the minimum unit in which wagers may be made above the table minimum.
- 4.2 A wager found to be below the stated minimum, after the call of no more bets, shall be valid.
- 4.3 A wager found to be above the stated maximum shall be paid or collected to the maximum. In the event that a player has been found to have wagered above the stated maximum on any previous game(s) the wagers and results of the previous game(s) shall stand.
- 4.4 Players are responsible for ensuring that their wagers comply with the limits stated on the sign on the table.
- 4.5 A casino supervisor may alter the limits on a gaming table at any time except that a minimum wager can only be changed to a higher minimum if a sign indicating the new minimum and proposed time of change has been displayed at the table at least 20 minutes before the change.
- 4.6 A casino supervisor may allow a player to wager in excess of the stated maximum provided that a sign denoting the new minimum and maximum wagers for that player is placed on an appropriate area of the table.

#### **5. Play of the Game**

- 5.1 At the commencement of each game a dealer or a casino supervisor shall activate a mechanical or electrical device that causes the dice to tumble within the covered dice tumbler at least three times. The dealer shall then call "place your bets".
- 5.2 The dealer shall call and / or signal "no more bets" and then uncover the tumbler. Where a touch screen is used, the dealer shall, after calling and / or signaling "no more bets", press the "no more bets" area indicated on the console and then uncover the tumbler.

- 5.3 Providing the dice are lying flat, a dealer or the casino supervisor shall announce the result by calling the number on the uppermost face of each dice, in order, from the lowest number to the highest and the total of the three dice.
- 5.4 A dealer or the casino supervisor shall enter the result by activating the three switches or buttons of the entry terminal, which correspond with the three winning numbers.
- 5.5 When the sequence referred to in rule 5.4 is complete and the winning areas have been illuminated on the layout, the dealer(s) shall collect all losing wagers and proceed to pay all winning wagers.
- 5.6 No person other than a dealer or casino supervisor responsible for the operation and integrity of the game, shall, at any time during play interfere with the dice tumbler or the action of the dice tumbler.

## 6. Super Streak

- 6.1 Where Super Streak is offered, and the game of Sic Bo is played at a table incorporating a plasma or LCD screen with a layout marked in a manner substantially similar to that shown in diagram 'C' or 'D', any player may elect to place a Super Streak wager when the Super Streak betting area is flashing alternate colours before the round of play commences.
- 6.2 A Super Streak wager can only be made after the first result of the gaming day (with the exception of a triple), or when a winning streak (continuous run) of Small or Big, or Odd or Even has been terminated. A Super Streak wager is unable to be placed while a winning streak is in progress. A Super Streak wager must remain in play until the termination of the streak.
- 6.3 A 'Super Streak' consists of a continuous number of four or more results to a maximum of 12, where the dice totals, in accordance with rules 3.1.1, 3.1.2, 3.1.3 or 3.1.4 with the exception of a triple, are:
- 6.3.1 All Small results, or
  - 6.3.2 All Big results, or
  - 6.3.3 All Odd results, or
  - 6.3.4 All Even results.
- 6.4 Where a Super Streak wager is made and:
- 6.4.1 If the winning streak is a Small or Big, Odd or Even result for three or less continuous results, the wager shall lose. If a result is a triple the Super Streak wager shall neither win, lose, or progress.
  - 6.4.2 If the winning streak is a Small or Big, Odd or Even result for four or more continuous results to a maximum of 12 continuous results, the wager shall win according to the table in rule 7.2. If a result is a triple the Super Streak wager shall neither win, lose, or progress.
- 6.5 The Super Streak wagers of Small or Big, Odd or Even are independent of each other. A changeover from Small to Big (or vice versa) can occur in the middle of an Odd or Even streak, and vice versa. Under some circumstances, both Super Streak

wagers will terminate (and therefore changeover) simultaneously.

- 6.6 When a Super Streak bet option is offered and there is a game in progress, a sign showing the proposed time of closure shall be displayed on the table at least 20 minutes before the closure. Once the clock is placed on the table the dealer shall announce final call for Super Streak wagers. At this time, all wagers placed on the bet, including those on a current streak, will remain in play until a result has been determined. No further Super Streak wagers will be accepted until the table is re-opened.
- 6.7 The amount required to make a Super Streak wager will be shown on a sign at the table.

## 7. Settlement

- 7.1 Winning wagers at the game of Sic-Bo shall be paid at the odds listed below:

Wager	Odds
Small	1 to 1
Big	1 to 1
Odd	1 to 1
Even	1 to 1
Specific Triples	180 to 1
Specific Doubles	11 to 1
Any Triple	31 to 1
Three Dice Totals	
4 or 17	62 to 1
5 or 16	31 to 1
6 or 15	18 to 1
7 or 14	12 to 1
8 or 13	8 to 1
9 or 12	7 to 1
10 or 11	6 to 1
Four Number Combinations	
1, 2, 3, and 4	7 to 1
2, 3, 4 and 5	7 to 1
2, 3, 5 and 6	7 to 1
3, 4, 5 and 6	7 to 1
Dice Combinations	

1 and 2, 3, 4, 5 or 6	6 to 1
2 and 3, 4, 5 or 6	6 to 1
3 and 4, 5 or 6	6 to 1
4 and 5 or 6	6 to 1
5 and 6	6 to 1
Single Die Bet	
Number on one Die	1 to 1
Number on two Dice	2 to 1
Number on three Dice	12 to 1

7.2 Winning wagers for Super Streak shall be paid at the odds listed below:

1	-
2 in a row	-
3 in a row	-
4 in a row	6 to 1
5 in a row	10 to 1
6 in a row	15 to 1
7 in a row	20 to 1
8 in a row	35 to 1
9 in a row	50 to 1
10 in a row	75 to 1
11 in a row	100 to 1
12 in a row	500 to 1

## 8. Rapid Sic Bo

Where the game in play is Rapid Sic Bo, the approved rules of Sic Bo shall apply, except where the rules are inconsistent with the rules of Rapid Sic Bo, in which case the rules of Rapid Sic Bo shall prevail.

### 8.1 Equipment

- 8.1.1 In addition to equipment described in rules 2.4 and 2.5, the game of Rapid Sic Bo shall be played with the following equipment:
- 8.1.1.1 Up to 20 ATS units;
  - 8.1.1.2 An SGC;
  - 8.1.1.3 a game system (other than an SGC and one or more ATS units); and
  - 8.1.1.4 at the discretion of the casino operator, a winning number display unit (WND).
- 8.1.2 The display of the touch screen monitor of an open ATS must display all the elements substantially similar to that shown in diagram 'B'; and
- 8.1.2.1 may contain any additional elements necessarily required by these rules; and/or
  - 8.1.2.2 may include features in addition to those shown in diagram 'B', if those features are not inconsistent with diagram 'B' or these rules.

- 8.1.3 A drop box shall be attached to the dealer's (SGC) podium and may, where so provided, be attached to each ATS.

## 8.2 Wagers

- 8.2.1 The permissible wagers for the game of Rapid Sic Bo shall be those wagers defined in rule 3.1 with the exception of rule 3.1.3, 3.1.4 and 3.1.9.
- 8.2.2 A person wishing to play the game must first establish an ATS account by either:
- 8.2.2.1 the tendering to the dealer of an amount of cash, chips or casino promotional vouchers; or
  - 8.2.2.2 inserting an amount of cash into the ATS drop box.
- 8.2.3 Where a player tenders cash, chips or casino promotional vouchers to the dealer the dealer must:
- 8.2.3.1 give the player control of an ATS; and
  - 8.2.3.2 activate an ATS chip account in respect of the ATS by crediting it with the amount tendered, thereby causing that amount to be shown as standing to the credit balance of the ATS chip account.
- 8.2.4 Where a player inserts cash into an ATS drop box, the amount of cash will automatically be credited to the ATS chip account in respect of that ATS, thereby causing that amount to be shown as standing to the credit of the ATS chip account.
- 8.2.5 The person for the time being in control of an open ATS may at any time:
- 8.2.5.1 tender further amounts of cash, chips or casino promotional vouchers to the dealer who must, as soon as practicable, credit the amount tendered to the player's ATS chip account; or
  - 8.2.5.2 insert a further amount of cash into the ATS drop box.
- 8.2.6 All wagers shall be made by the player appropriating money standing to the credit of the player's ATS chip account to a particular bet by first selecting the value to be placed by touching denomination chip on the ATS screen and then touching the appropriate playing area(s) on the layout prior to the end of the wagering period for that game, thereby debiting the player's ATS balance by the amount of the wager.
- 8.2.7 The player to whom the dealer has given control of an ATS is solely responsible for the placement of the chips appearing on the ATS.
- 8.2.8 A wager cannot be withdrawn, placed or changed after the expiry of the wagering period.
- 8.2.9 Wagers shall be settled strictly in accordance with the position of the chips appearing on the ATS electronic layout at the time a wagering period expires.
- 8.2.10 A casino supervisor may modify the application of rule 8.2.9 if it is apparent, in the circumstances, that a strict application of the rule would be unfair to the player.



### 8.3 Minimum and Maximum Wagers

- 8.3.1 The minimum and maximum wagers permitted by a player shall be shown on a sign at the table. Unless stated on the sign, wagers are not required to be made in multiples of the minimum. The sign may also state the minimum unit in which wagers may be made above the table minimum and/or the minimum and/or maximum permitted aggregate wager (if any).
- 8.3.2 If a player attempts to place an individual wager that is less than the minimum permissible wager for a particular bet, at the end of the wagering period the ATS must reject such wager and will cause the amount of the wager to be credited back to the player's ATS balance.
- 8.3.3 If a player attempts to place a wager(s) that is:
- 8.3.3.1 in a multiple over the minimum which is not permitted; or
  - 8.3.3.2 is greater than the maximum permissible wager; or
  - 8.3.3.3 in aggregate greater than the permitted aggregate wager;
- the ATS must display only so many chips or such denomination of chips as is the next lowest permitted wager and will not debit the player's ATS balance in respect of that portion of the wager which is not permitted.
- 8.3.4 If, by the end of the wagering period for a single game, a player has placed one or more wagers which are in aggregate less than the permitted aggregate wager the ATS must not accept the wager(s) and will cause the amount of the wager(s) to be credited back the player's ATS balance.

### 8.4 Play of the Game

- 8.4.1 The casino operator will determine the length of the wagering period for the game.
- 8.4.2 Each ATS must clearly display a countdown of the remaining portion of the wagering period for the next game.
- 8.4.3 The dealer:
- 8.4.3.1 may activate the dice tumbler at any time after the results of the previous game are finalised, and
  - 8.4.3.2 if the dice tumbler has not been activated before the end of the wagering period, must activate the dice tumbler as soon as practicable after the wagering period expires.
- 8.4.4 At the end of the wagering period the dealer will uncover the dice tumbler and on exposure of the winning result, shall:
- 8.4.4.1 announce the winning numbers; and
  - 8.4.4.2 enter that outcome into the SGC.

### 8.5 Settlement

- 8.5.1 When an outcome has been entered into the SGC, the game system

must display the outcome of the game on each open ATS; and in respect of the wager or wagers placed on an ATS must:

- 8.5.1.1 clear any losing wager, by causing the chips representing that wager to disappear from the electronic layout; and
  - 8.5.1.2 pay any winnings thereby causing an appropriate amount to be shown on the ATS win meter; and
  - 8.5.1.3 credit the value of the winnings and the winning wagers to the ATS chip account; and
  - 8.5.1.4 on opening of the next wagering period, deduct the value of the winning wager(s) from the ATS chip account.
- 8.5.2 Winning wagers at the game of Rapid Sic Bo shall be paid in accordance with rule 7.
- 8.5.3 A player wishing to leave the game may do so at any time within the wagering period by activating the cash out button providing no wagers have been placed on the current game. The dealer must pay out the full value of the player's ATS chip account balance by tendering chips and closing the ATS chip account.

## 9. Irregularities

- 9.1 If any of the three dice fail to come to rest with one surface flat to the base of the tumbler, a dealer or the casino supervisor shall announce "no result".
- 9.2 If the dice tumbler after being activated does not operate correctly, a dealer or the casino supervisor shall announce "no result".
- 9.3 In the event of the dice tumbler not being activated in accordance with these rules or the concealed dice being exposed before the announcement of "no more bets" or in the case of Rapid Sic Bo before the closure of the wagering period, a dealer or casino supervisor shall announce "no result".
- 9.4 If the "no more bets" button has not been activated in accordance with rule 5.2, a dealer or casino supervisor shall announce "no result".
- 9.5 In the event that one or more dice, or the dice tumbler are broken, a dealer or the casino supervisor shall announce "no result".
- 9.6 If a dealer or the casino supervisor announces "no result", all wagers with the exception of Super Streak wagers shall be void. Super Streak wagers shall neither win, lose or progress.
- 9.7 If the electronic equipment referred to in rule 2.3 fails to illuminate the winning areas, or fails to illuminate the winning areas correctly, all wagers shall be collected and paid according to the result shown on the dice and rule 9.8 shall apply; and
- 9.7.1 all Super Streak wagers in play shall be collected and paid according to the result shown on the dice and the Super Streak wager shall be deemed to be terminated.
- 9.8 In the event of an equipment malfunction as referred to in rule 9.7, an inspector shall be notified immediately and no further play shall be permitted until the fault has been rectified.

- 9.9 The WND unit must be disregarded if the WND unit displays a number other than the actual outcome.
- 9.10 Where the game in play is Rapid Sic Bo, if the dealer reasonably forms the view that he or she has entered an incorrect outcome into the SGC, the dealer or casino supervisor must freeze all ATS chip accounts and cause the results to be re-calculated based on the actual outcome.
- 9.11 Where the game in play is Rapid Sic Bo, if an ATS and/or the SGC experiences a malfunction the dealer or casino supervisor must seek to confirm what wagers were placed through the analysis of available records in the ATS and/or SGC and cause the results to be re-calculated and/or make appropriate adjustments to the patron(s) ATS credit meter based on the actual outcome.
- 9.12 For the purposes of rule 9.11, a Rapid Sic Bo SGC or ATS shall be taken to have malfunctioned where:
- 9.12.1 multiple credits are displayed on the credit meter of the ATS and/or SGC that are not in keeping with the settlement odds contained in rule 7 and the amount wagered; or
- 9.12.2 the normal playing sequence of the ATS and/or SGC is interrupted or the normal display is faulty; or
- 9.12.3 for any other reason the casino operator is of the opinion that the ATS and/or SGC is not functioning correctly.
- 9.13 If the dealer or casino supervisor is unable, for the purpose of rule 9.10, to confirm the relevant wagers placed through the analysis of available records in the ATS or SGC, the casino supervisor shall declare void the relevant wagers.
- 9.14 Where the game in play is Rapid Sic Bo, the casino operator may withhold payment of any amount to be credited to a player's ATS chip account, or demand the return of any amount credited to a player's ATS chip account, until such time as the casino operator has completed an investigation and made a determination. An Inspector is to be notified as soon as practicable of such an event.
- 9.15 Where the game in play is Rapid Sic Bo, players are required to notify the casino operator in the event of any malfunction of an ATS at which they are playing. Failure to do so, and the retention of any benefit, chip account credit or free play as a result of an ATS malfunction or dealer error, may be considered to be a contravention of these rules.

## 10. General Provisions

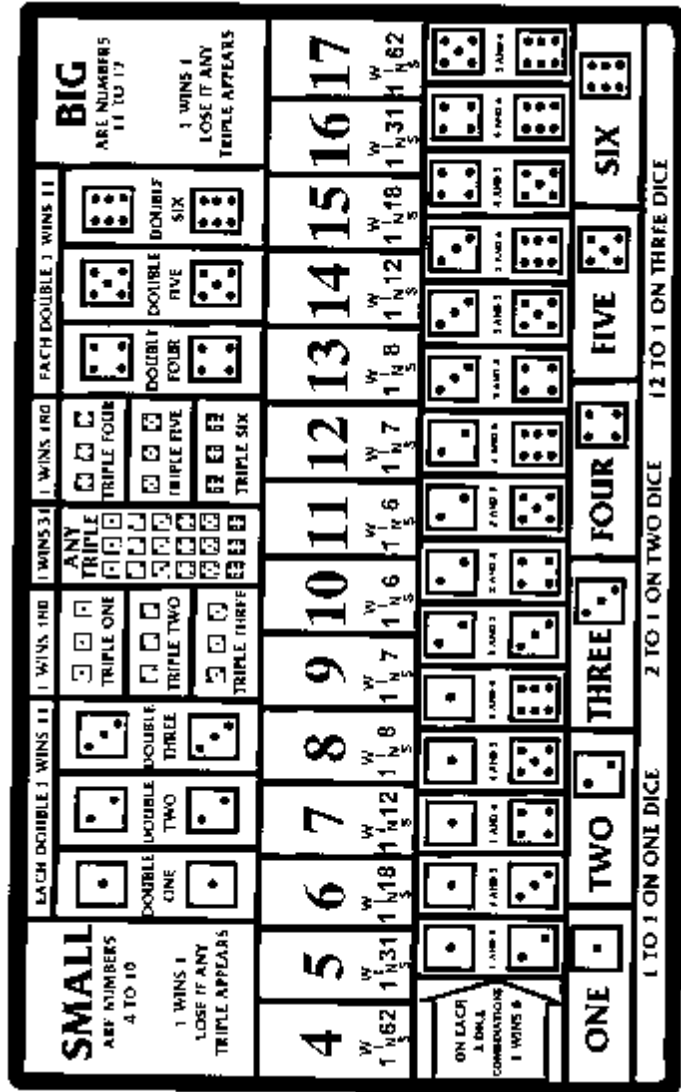
- 10.1 A person shall not, either alone or in concert with any other person, use or control at or near a gaming table or location related to the playing of a game a calculator, computer, or other electronic, electrical or mechanical apparatus or device that is capable, with respect to a game or a part thereof, of recording, projecting, analysing or transmitting an outcome or the changing probabilities or the playing strategies to be used.
- 10.2 Rule 10.1 shall not apply to use or control by an agent or employee of the casino operator or an inspector where such person is acting in the course of their duty.
- 10.3 Where a casino supervisor is satisfied that a person has contravened any provision

of rule 10.1, he/she may:

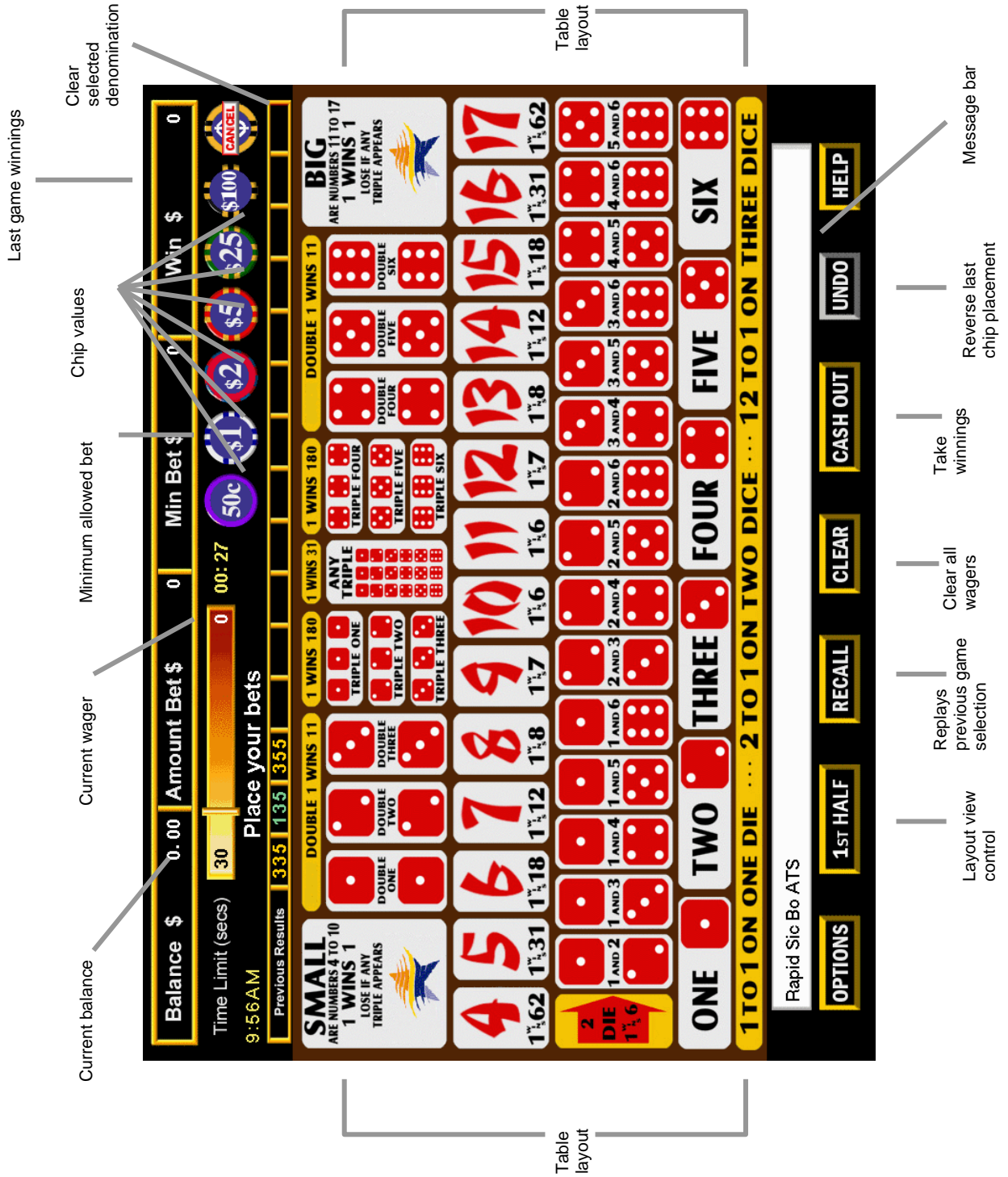
- 10.3.1 declare that any wager made by the person is void;
  - 10.3.2 direct that the person shall be excluded from further participation in the game;
  - 10.3.3 exclude the person from the casino in line with the provisions of section 79 of the Casino Control Act 1992.
- 10.4 A casino supervisor may invalidate the outcome of a game if:
- 10.4.1 the game is disrupted by civil commotion, fire, riot, brawl, robbery, an act of God; or
  - 10.4.2 any fraudulent act is perpetrated by any person that, in the opinion of the casino supervisor, affects the outcome of the game.
- 10.5 Where the outcome of a game is invalidated under rule 10.4, all wagers made by the players for that particular result may be refunded provided that a casino supervisor may direct that the wager of any player referred to in rule 10.4.2 be forfeited.
- 10.6 A player shall not be advised by an employee of the casino on how to play, except to ensure compliance with these rules.
- 10.7 No spectator or any player wagering at any table may, unless requested by a player, attempt to influence, influence or offer advice to that player regarding that player's decisions of play.
- 10.8 A casino supervisor may close a gaming table at which players are present provided a sign showing the proposed time of closure has been displayed at the table for at least 20 minutes before the closure.
- 10.9 A player who abstains from placing any wagers for three consecutive rounds of play, while all other seats or positions at the table are in use, may be required to vacate his/her seat or position.
- 10.10 Players and spectators are not permitted to have bets with or against each other.
- 10.11 A casino supervisor or above may refuse, on reasonable grounds, any wager made by a player prior to the call of no more bets, and in so doing may cause the wager(s) to be removed from the layout.
- 10.12 Any dispute or complaint concerning a casino game shall be referred for decision in the first instance to a games supervisor, subject to a review (if requested) by a casino supervisor. In the absence of a games supervisor the matter must be referred in the first instance to a casino supervisor.
- 10.13 In any dispute arising from these rules, the decision of the casino operator is final. Where any person is not satisfied with a decision of the casino operator relating to the conduct of gaming, the person will be advised of their right to lodge a complaint with an inspector under section 33 of the Casino, Liquor and Gaming Control Authority Act 2007.
- 10.14 A copy of these rules shall be made available for inspection upon request.

**DIAGRAM 'A'**

SIC BO LAYOUT

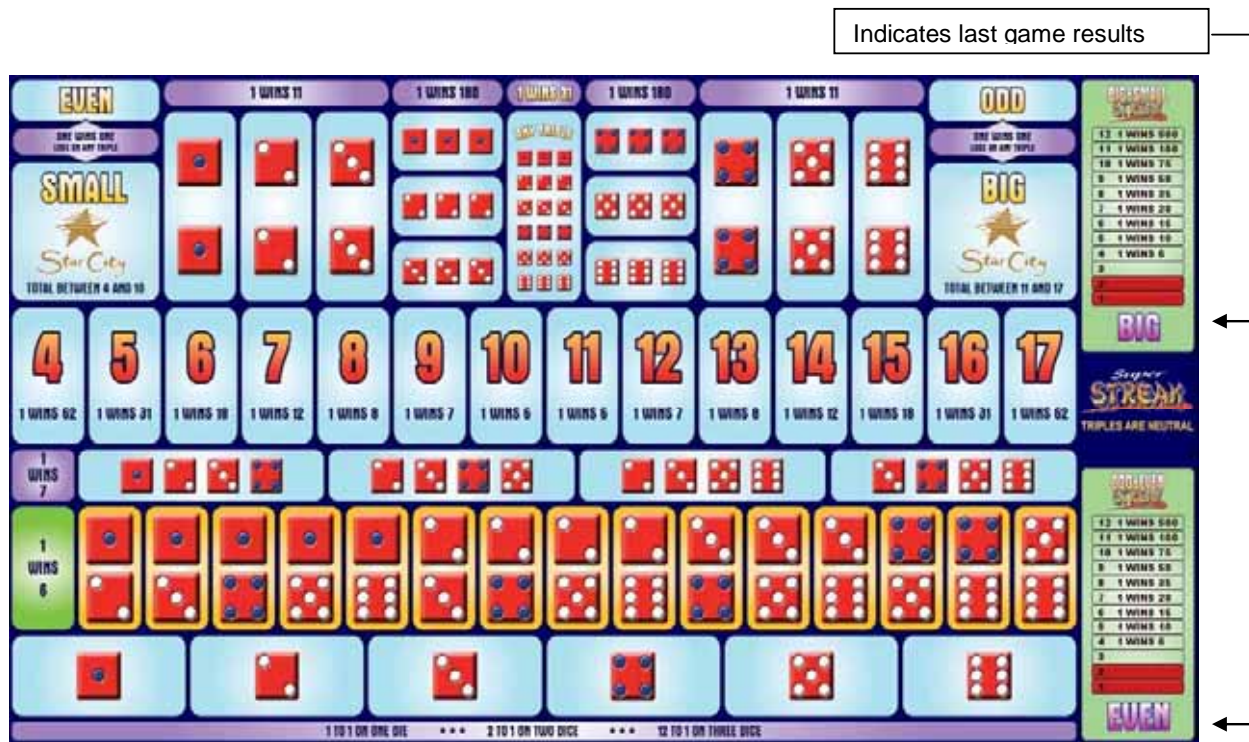


# DIAGRAM 'B' RAPID SIC BO ATS LAYOUT





### DIAGRAM 'C' SUPER STREAK LAYOUT



Left side (as viewed by players)

### DIAGRAM 'D' SUPER STREAK LAYOUT

Indicates last game results



Right side (as viewed by players)



**PUBLIC LOTTERIES ACT 1996****LOTTO - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Lotto and Games of Promotional Lotto by the New South Wales Lotteries Corporation effective from 2 July 2009.



Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****LOTTO RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of the Game of Lotto and Promotional Lotto. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.



**RULE 1 DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Game of Lotto) and Subscriptions for Games of Lotto;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Games of Lotto and Games of Promotional Lotto conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of games of Lotto;
  - (v) "Ancillary Fee" means a fee which the Chief Executive Officer of the Licensee may from time to time authorise a Direct Mail Agent to charge a Player or Syndicate Player from whom a Direct Mail Agent accepts a subscription;
  - (vi) "Approved" means approved in writing by the Minister;
  - (vii) "Automatic Entry" means an Entry or Syndicate Entry in respect of a Game of Lotto made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) wherein:
    - (1) The selection of Numbers is made by way of a Computer Linked Terminal; or
    - (2) The Numbers are the Numbers previously selected by a Player and stored in the central processing computer equipment of the Licensee
  - (viii) "Bounded Area" means the area indicated as such by the symbols  or  "on the relevant Entry Form containing Numbers;
  - (ix) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3 (f);

- (x) "Commission" means the amounts which the Licensee is Approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry or Syndicate Entry but which does not include a charge determined in accordance with Condition 17 (c) of the Licence;
- (xi) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of business of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Games of Lotto or Games of Promotional Lotto;
- (xii) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player or Syndicate Player and in respect of details of:
- (1) a Player's Entry in a Game of Lotto;
  - (2) a Syndicate Entry and a Syndicate Player's Syndicate Entry Share in a Game of Lotto: and
  - (3) where appropriate a Player's entry in a Game of Promotional Lotto
- and which is retained or recorded on magnetic tape or otherwise stored;
- (xiii) "Direct Mail Agent" means an Agent, Approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Game of Lotto and instructions with respect to a Game of Promotional Lotto from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xiv) "Director" means a Director of the Board of Directors of the Licensee;
- (xv) "Drawing" means:
- (1) in relation to a Game of Lotto (but not including a Second Drawing) the selection of the Winning Numbers and the two Supplementary Numbers by lot using a Drawing Device ;
  - (2) in relation to a Second Drawing the selection of the Winning Numbers by lot using a Drawing Device;
- (xvi) "Drawing Date" in relation to a Game of Lotto means the date on which the Winning Numbers and the two Supplementary Numbers are drawn in respect of that Game of Lotto and, provided there is no inconsistency and where the context admits, includes the date on which the Winning Numbers are drawn in respect of a Second Drawing of a Game of Lotto;

- (xvii) "Drawing Device" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xviii) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;
- (xix) "Entry" means the Numbers in a Game of Lotto which have been recorded in the central processing computer equipment, which have been selected by way of an Entry Form or Automatic Entry, which (subject to Rule 6(g)) have been Imprinted on the same numbered line on a Ticket and in respect of which the correct Subscription or correct Syndicate Share Fee, as the case may be, has been paid;
- (xx) "Entry Form" means the Approved form to be completed by a Player or a Syndicate Player wishing to use this form of entry to enter a Game of Lotto and/or a Game of Promotional Lotto;
- (xxi) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Drawing/s remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawings.
- (xxii) "Fee" means the sum of the Commission and Subscription;
- (xxiii) "Game of Lotto" means a competition styled as "Lotto" under the Act, but does not include Games of Promotional Lotto;
- (xxiv) "Game of Promotional Lotto" means a public lottery conducted for the purpose of promoting a Game of Lotto, and in respect of which:
- (1) eligibility to enter is confined to Players and Syndicate Players in a Game of Lotto; and
  - (2) no further Subscription or Commission or a Syndicate Share Fee is charged;
- (xxv) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;
- (xxvi) "Jackpot Competition" means the next drawing of a Game of Lotto (other than a Second Drawing), as approved by the Licensee, following the drawing of a Game of Lotto (other than a Second

Drawing), where there is no winner in accordance with Rule 12(e) Division 1(i) or Rule 12(f) Division 1(i);

- (xxvii) "Licence" means the Licence granted to New South Wales Lotteries Corporation pursuant to section 12 of the Act;
- (xxviii) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xxix) "Malfunction" means a failure of any of the following:
- (1) the Drawing Device;
  - (2) the Computer Linked Terminal;
  - (3) the central processing computer equipment;
- to operate in the manner in which it is designed to operate;
- (xxx) "Mark" means the drawing of a vertical line "I" within a Bounded Area  " or a cross "X" within a Bounded Area  in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;
- (xxxii) "Minister" means the Minister for the time being administering the Act;
- (xxxiii) "Monday Competition" means the Game of Lotto drawn, unless the Licensee determines otherwise, on the Monday of each week;
- (xxxiv) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one Drawing;
- (xxxv) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;
- (xxxvi) "Multi-Week Entry" means the Entry referred to in Rule 10;
- (xxxvii) "Numbers" has the same meaning as section 5 of the Act;
- (xxxviii) "Panel" means a separate matrix on an Entry Form containing the Numbers from 1 to 45 in arithmetical sequence in the Monday Competition, Wednesday Competition and Saturday Competition;
- (xxxix) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct games of Lotto under a corresponding law;
- (xl) "Player" means a person who:
- (1) has paid the correct Subscription for a valid Entry; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and

includes where relevant a person who has validly entered a Game of Promotional Lotto and who holds, bears and submits a ticket in the Game of Promotional Lotto to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;

- (xl) "Prize" means any Prize determined in accordance with Rule 12;
- (xli) "Prize Fund" means an account established under section 27 of the Act and known as the Lotto Prize Fund Account;
- (xlii) "Prize Pool" means the amount allocated for the payment of Prizes being not less than fifty five percent (55%) of Subscriptions received for a particular Game of Lotto;
- (xliii) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xliv) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the Drawing Date, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xlv) "Provisional Prize" is a Prize in Division 1 and/or a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xlvi) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xlvii) "Registered Player" means a Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (xlviii) "Registered Syndicate Player" means a Syndicate Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Syndicate Player;
- (xlix) "Rules" means these Rules made under the Public Lotteries Act, any amendment, modification, variation, or abrogation thereof for the time being in force;
- (l) "Saturday Competition" means the Game of Lotto drawn, unless the Licensee determines otherwise, on the Saturday of each week;
- (li) "Second Drawing" means an additional Drawing conducted as part of a Game of Lotto in accordance with the Rules;
- (lii) "Standard Entry" means the Entry referred to in Rule 8;

- (liii) "Subscription" means the amounts Approved, excluding Commission and any amount determined in accordance with the Licence, which a Player shall be charged for an Entry;
- (liv) "Supplementary Numbers" in relation to a Game of Lotto means the seventh and eighth Numbers drawn for each Game of Lotto;
- (lv) "Syndicate Entry" means an Entry which is prescribed in:
  - (1) column 3 of Schedule 3; or
  - (2) column 3 of Schedule 4;
- (lvi) "Syndicate Entry Share" means a share of a Syndicate Entry which is prescribed in:
  - (1) column 4 of Schedule 3; or
  - (2) column 4 of Schedule 4;
- (lvii) "Syndicate Player" means a person who:
  - (1) has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and

includes a person who has validly entered a Game of Promotional Lotto and who holds, bears and submits a ticket in the Game of Promotional Lotto to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (lviii) "Syndicate Share Fee" means the amount specified in:
  - (1) Column 5 of Schedule 3; or
  - (2) Column 5 of Schedule 4;
- (lix) "Systems Entry" means the Entry referred to in Rule 9;
- (lx) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has paid the correct Subscription for a valid Entry in a Game of Lotto or that a Syndicate Player has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share in a Game of Lotto, and which:
  - (1) contains Entry or Syndicate Entry Share details; and
  - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and
  - (3) may include other particulars as determined by the Licensee;

- (lxi) "Ticket Serial Number" means the numbers and/or letters Imprinted on a Ticket which constitute official verification of the valid issue of a Ticket;
  - (lxii) "Wednesday Competition" means the Game of Lotto drawn, unless the Licensee determines otherwise, on the Wednesday of each week;
  - (lxiii) "Winning Numbers" in relation to a Game of Lotto (including a Second Drawing) means the first six numbers drawn for each Game of Lotto.
- (b) In these Rules unless inconsistent with the context:
- (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2            CONDUCT AND DRAWINGS OF GAMES OF LOTTO AND  
CONDUCT OF GAMES OF PROMOTIONAL LOTTO**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Game of Lotto and Game of Promotional Lotto.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players and Syndicate Players.
- (c) Games of Lotto will be drawn on Monday, Wednesday and Saturday of each week unless the Licensee determines otherwise.
- (d) Drawings undertaken in the State of New South Wales shall be conducted by the Licensee and supervised by a person or persons nominated by the Minister in accordance with drawing procedures agreed between the Licensee and the Minister's nominee(s);

Certification of the validity of a drawing by the Minister's nominee(s) shall be final and binding on all Players and Syndicate Players.

Where a Malfunction in a Drawing Device occurs:

- (i) only the Number/s drawn before a Malfunction has commenced shall be Winning Numbers and/or Supplementary Number/s;
- (ii) in the event that any Winning Number/s and/or Supplementary Number/s are still to be selected after the Malfunction:
  - (1) the Drawing shall commence or re-commence, as the case may be, as soon as practicable after the rectification of the Malfunction; or
  - (2) where the Malfunction cannot be rectified, the Drawing shall commence or re-commence as the case may be, using a



substitute Drawing Device as soon as practicable after the commencement of the Malfunction and shall continue until all Winning Numbers and Supplementary Numbers are drawn.

- (e) Drawings conducted outside the State of New South Wales shall be conducted and supervised in accordance with the requirements of the relevant regulatory body for the State or Territory in which the Drawings are conducted.
- (f) The Licensee may conduct a Game of Promotional Lotto in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Game of Promotional Lotto in conjunction with another Game of Lotto or separately from a Game of Lotto or otherwise in conjunction with another lottery conducted by the Licensee.
- (g) A Game of Promotional Lotto shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (h) The Prize structure for a Game of Promotional Lotto shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players and Syndicate Players during the period of each Game of Promotional Lotto.
- (i) During the period in which the Licensee accepts entries in a Game of Promotional Lotto some of the Prizes in the approved Prize structure may already have been won when a Player or Syndicate Player enters the Game of Promotional Lotto leaving the balance of Prizes still available to be won by Players and Syndicate Players at the time of their respective entries.
- (j) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players and Syndicate Players in a Game of Promotional Lotto of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Game of Promotional Lotto.
- (k) A ticket in a Game of Promotional Lotto may include one or more Prizes to be won on the same ticket.
- (l) A Game of Promotional Lotto may require the Player or Syndicate Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3 APPLICATION OF RULES**

- (a) All instructions and conditions printed on the Entry Form and Ticket and these Rules shall apply to each Game of Lotto and shall be binding on all Players and Syndicate Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on the Entry Form and Ticket these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Game of Promotional Lotto and shall be binding on all Players and Syndicate Players.

- (d) By entering a Game of Lotto or a Game of Promotional Lotto Players and Syndicate Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

#### **RULE 4 OBJECT**

The Object of the Game of Lotto is to select six (6) Numbers in a Panel, which Numbers are the same as the Winning Numbers.

#### **RULE 5 ELIGIBILITY FOR INCLUSION IN A GAME OF LOTTO**

- (a) In order for an Entry or Syndicate Entry Share to be eligible for inclusion in a Game of Lotto, before the Drawing of that Game of Lotto;
  - (i) the Entry or Syndicate Entry Share must have been recorded by the central processing computer equipment;
  - (ii) a valid Ticket must have issued by the Computer Linked Terminal;
  - (iii) the Entry or Syndicate Entry Share details recorded on such Ticket issued under Rule 5(a)(ii) must match the details held by the Licensee by way of Computer Records; and
  - (iv) the Player or Syndicate Player must have paid the Subscription or Syndicate Share Fee as the case may be in relation to such Entry or Syndicate Entry Share.
- (b) Any Ticket issued shall be subject to Rule 6(f) hereof.

#### **RULE 6 RULES APPLYING TO ENTRIES AND TICKETS**

- (a) An Entry Form shall consist of Panels that must be completed by the Player in the numerical order shown on the said form commencing with the top left hand Panel. A Player or Syndicate Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player or Syndicate Player claiming a resultant Prize may not be entitled to payment of the Prize.

- (b) Where an Entry Form is used to effect an Entry or a Syndicate Entry Share, each Number selected must be Marked.
- (c) Each Entry Form for the Monday Competition, Wednesday Competition and Saturday Competition will contain Bounded Areas "Mon", "Wed" and "Sat". An Entry or Syndicate Entry Share in the Monday Competition and/or Wednesday Competition and/or Saturday Competition must be effected by Marking "Mon" and/or "Wed" and/or "Sat" on the Entry Form. An Entry or Syndicate Entry Share in the Monday Competition only must be effected by Marking "Mon" on the Entry Form. An Entry or Syndicate Entry Share in the Wednesday Competition only must be effected by Marking "Wed" on the Entry Form. An Entry or Syndicate Entry Share in the Saturday Competition only must be made by Marking "Sat" on the Entry Form. In the case of an Entry submitted by post, if none of "Mon", "Wed" or "Sat" is Marked on the Entry Form the Chief Executive Officer shall determine the Competition(s) in which entry shall be effected.
- (d) A completed Entry Form or any other approved Entry completed or made in accordance with these Rules shall be accepted by an Agent and processed on a Computer Linked Terminal and evidenced by the issue of the Ticket to the Player or Syndicate Player. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Entry Form or other approved Entry at the time of presentation to the Agent for processing.
- (e) Subject to paragraph (g) below acceptance of a Ticket by a Player or Syndicate Player shall constitute the Player's or Syndicate Player's acknowledgment of the correctness of the details (including Entry or Syndicate Entry Share details) thereon. The Ticket issued to a Player or Syndicate Player shall be the only form issued by the Licensee or its Agent or Direct Mail Agent to the Player or Syndicate Player evidencing the Player's or Syndicate Player's Entry or Syndicate Player's Syndicate Entry Share, as the case may be. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Ticket at the time it is received by a Player or Syndicate Player from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player or Syndicate Player from the Agent.
- (f) In the event that the details recorded on the Player's or Syndicate Player's Ticket are not consistent with the details held by the Licensee by way of Computer Records then the latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player or Syndicate Player shall be entitled to and the Player or Syndicate Player shall be bound by any such determination.
- (g) Subject to Rule 19(m), a Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the Drawing of the Game of Lotto entered.
- (h) An Agent who has sold a Ticket may cancel a Ticket, with the approval of the Licensee, on the day of purchase of the Ticket, prior to the Drawing of the Game of Lotto entered. When a Ticket has been cancelled by an Agent, the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, paid in respect of such Ticket. A cancelled

Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.

- (i) The Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the Drawing of the Game of Lotto entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (j) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket
- (k) Where Numbers in a Game of Lotto have been transferred to the central processing computer equipment via a Computer Linked Terminal and recorded on the Computer Records but:
  - (i) no Subscription or Syndicate Entry Fee has been paid to the Agent in whose place of business the Computer Linked Terminal is located prior to the close of selling for the Drawing in respect of that Game of Lotto; and
  - (ii) such Agent has failed to cancel the Numbers before the Drawing; thensuch Agent shall be liable for and shall meet the cost of the Subscription or Syndicate Share Fee, as the case may be, in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered:
  - (iii) to have paid the Subscription or Syndicate Share Fee, as the case may be; and
  - (iv) shall be considered a Player or Syndicate Player as the case may be; and
  - (v) shall be the holder of the Entry or Syndicate Entry Share, as the case may be.
- (l) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are correct.
- (m) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Game of Lotto by a Player with a Direct Mail Agent does not exempt the Player from being

bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.

- (n) Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (o) A Ticket shall at all times remain the property of the Licensee and a Player or Syndicate Player shall deliver up any Ticket to the Licensee upon demand.
- (p) Where an Automatic Entry is made the Subscription and Commission shall be calculated in the manner envisaged by Rules 8, 9 and 10.

#### **RULE 7            COMMISSION**

The Licensee is Approved to charge a Player Commission in the amounts specified in these Rules in Schedule 1 in respect of the Monday Competition and Wednesday Competition and in Schedule 2 in respect of the Saturday Competition. By entering a Game of Lotto the Player accepts liability to pay the Commission to the Licensee. By entering a Game of Lotto a Syndicate Player accepts liability to pay to the Licensee that part of the Commission payable in respect of a Syndicate Share Fee. The Subscriptions quoted in Rules 8, 9 and 10 exclude Commission.

#### **RULE 8            STANDARD ENTRY**

- (a) A Standard Entry is the selection of six (6) Numbers which may be made by way of an Entry Form or via Automatic Entry.
- (b) Where an Entry Form is used in respect of a Standard Entry, six (6) Numbers shall have been Marked in each Panel completed on that form.
- (c) No fewer than four (4) Panels must be completed on an Entry Form in respect of each Standard Entry. Additional Panels may be completed up to the total number of Panels shown on the Entry Form. Any additional Panels Marked on an Entry Form must be completed in multiples of two (2) in numerical order.
- (d) The Subscription for each Standard Entry shall be:
  - (i) In respect of both the Monday Competition and Wednesday Competition, \$3.20 where four (4) Panels have been Marked on an Entry Form and \$1.60 for each set of two (2) additional Panels selected on that form.
  - (ii) In respect of both the Monday Competition and Saturday Competition, \$3.80 where four (4) Panels have been Marked on an Entry Form and \$1.90 for each set of two (2) additional Panels selected on that form.
  - (iii) In respect of both the Wednesday Competition and Saturday Competition, \$3.80 where four (4) Panels have been Marked on an

Entry Form and \$1.90 for each set of two (2) additional Panels selected on that form.

- (iv) In respect of the Monday Competition, Wednesday Competition and Saturday Competition, \$5.40 where four (4) Panels have been Marked on an Entry Form and \$2.70 for each set of two (2) additional Panels selected on that form.
  - (v) In respect of either the Monday Competition or Wednesday Competition, \$1.60 where four (4) Panels have been Marked on an Entry Form and \$0.80c for each set of two (2) additional Panels selected on that form.
  - (vi) In respect of the Saturday Competition, \$2.20 where four (4) Panels have been Marked on an Entry Form and \$1.10 for each set of two (2) additional Panels selected on that form.
- (e) If more than six (6) Numbers in a Panel are Marked on an Entry Form in respect of a Standard Entry which has been forwarded to the Licensee by post, the Licensee shall disregard the highest Numbers in descending arithmetical sequence until six (6) Marked Numbers remain.
- (f) If less than six (6) Numbers in a Panel are Marked on an Entry Form in respect of a Standard Entry which has been forwarded to the Licensee by post entry into a Game of Lotto shall not take effect and the Licensee shall return the Entry Form together with any Fees therewith to the Player.

#### **RULE 9            SYSTEMS ENTRY**

- (a) A Systems Entry may be made by way of an Entry Form or via Automatic Entry.
- (b) Where an Entry Form is used in respect of a Systems Entry, more than six (6) Numbers shall be Marked in a Panel; so that seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers may be Marked in a Panel on that form.
- (c) Only one (1) system may be selected in respect of a Systems Entry, and where effected on an Entry Form shall be made by Marking the appropriate Bounded Area on the Entry Form. That system shall apply to all Panels completed on that Entry Form.
- (d) Where a Systems Entry is effected by an Entry Form, the Numbers shall be Marked on that Entry Form in accordance with the system selected. In each Panel completed the following shall be Marked:

System 7 - seven (7) Numbers

System 8 - eight (8) Numbers

System 9 - nine (9) Numbers

System 10 - ten (10) Numbers

System 11 - eleven (11) Numbers

System 12 - twelve (12) Numbers  
System 13 - thirteen (13) Numbers  
System 14 - fourteen (14) Numbers  
System 15 - fifteen (15) Numbers  
System 16 - sixteen (16) Numbers  
System 17 - seventeen (17) Numbers  
System 18 - eighteen (18) Numbers.

- (e) In respect of a Syndicate Entry where an Entry Form is used:
- (i) For the Monday Competition or the Wednesday Competition Numbers shall be Marked in a Panel in respect of a Systems Entry; so that eight (8), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers shall be Marked in a Panel on an Entry Form; and
  - (ii) For the Saturday Competition Numbers shall be Marked in a Panel in respect of a Systems Entry; so that nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers shall be Marked in a Panel on an Entry Form; and
  - (iii) the appropriate Bounded Area shall be Marked on the Entry Form to select the particular system; and
  - (iv) only one (1) system may be selected on an Entry Form in respect of a Systems Entry. That system shall apply to all Panels completed on that Entry Form; and
  - (v) the Numbers on an Entry Form in respect of a Systems Entry shall be Marked in accordance with the system selected. In each Panel completed, the following shall be Marked:

In respect of the Monday competition or the Wednesday competition:

System 8 - eight (8) Numbers  
System 10 - ten (10) Numbers  
System 11 - eleven (11) Numbers  
System 12 - twelve (12) Numbers  
System 13 - thirteen (13) Numbers  
System 14 - fourteen (14) Numbers  
System 15 - fifteen (15) Numbers  
System 16 - sixteen (16) Numbers  
System 17 - seventeen (17) Numbers  
System 18 - eighteen (18) Numbers.



In respect of the Saturday competition:

System 9 – nine (9) Numbers

System 10 - ten (10) Numbers

System 11 - eleven (11) Numbers

System 12 - twelve (12) Numbers

System 13 - thirteen (13) Numbers

System 14 - fourteen (14) Numbers

System 15 - fifteen (15) Numbers

System 16 - sixteen (16) Numbers

System 17 - seventeen (17) Numbers

System 18 - eighteen (18) Numbers.

- (f) Notwithstanding any other provision in these Rules, where a Mark on an Entry Form in respect of a Systems Entry which has been forwarded to the Licensee by post has not been made in accordance with Rule 9(c), or where the Numbers Marked in any Panel are inconsistent with the system selected under Rules 9(d) and 9(e), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Systems Entry and interpret any selections on the Entry Form in such manner and having regard to such factors as the Chief Executive Officer determines. Thereafter such Systems Entry shall be included in that Game of Lotto and any subsequent evaluation thereof for the purpose of determining the Player's entitlement to a Prize shall be made in accordance with the Chief Executive Officer's interpretation.
- (g) Any number of Panels up to the total number of Panels on the Entry Form may be completed on that Entry Form in respect of a Systems Entry in numerical order.
- (h) The Subscriptions for a Systems Entry are:
- (i) in respect of an Entry into both the Monday Competition and Wednesday Competition:

System Number	Equivalent Number of Standard Panels entered in both the Monday and Wednesday Competitions	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	5.60	7
8	28	22.40	8
9	84	67.20	9
10	210	168.00	10
11	462	369.60	11
12	924	739.20	12



13	1716	1,372.80	13
14	3003	2,402.40	14
15	5005	4,004.00	15
16	8008	6,406.40	16
17	12376	9,900.80	17
18	18564	14,851.20	18

(ii) in respect of an Entry into either the Monday Competition or Wednesday Competition:

System Number	Equivalent Number of Standard Panels entered in the Monday or Wednesday Competition	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	2.80	7
8	28	11.20	8
9	84	33.60	9
10	210	84.00	10
11	462	184.80	11
12	924	369.60	12
13	1716	686.40	13
14	3003	1,201.20	14
15	5005	2,002.00	15
16	8008	3,203.20	16
17	12376	4,950.40	17
18	18564	7,425.60	18

(iii) in respect of an Entry into the Monday Competition and Wednesday Competition and Saturday Competition:

System Number	Equivalent Number of Standard Panels entered in the Monday, Wednesday and Saturday Competitions	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	9.45	7
8	28	37.80	8
9	84	113.40	9
10	210	283.50	10
11	462	623.70	11
12	924	1,247.40	12
13	1716	2,316.60	13
14	3003	4,054.05	14
15	5005	6,756.75	15
16	8008	10,810.80	16
17	12376	16,707.60	17
18	18564	25,061.40	18

- (iv) in respect of an Entry into the Monday Competition and Saturday Competition:

System Number	Equivalent Number of Standard Panels entered in the Monday and Saturday Competitions	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	6.65	7
8	28	26.60	8
9	84	79.80	9
10	210	199.50	10
11	462	438.90	11
12	924	877.80	12
13	1716	1,630.20	13
14	3003	2,852.85	14
15	5005	4,754.75	15
16	8008	7,607.60	16
17	12376	11,757.20	17
18	18564	17,635.80	18

- (v) in respect of an Entry into the Wednesday Competition and Saturday Competition:

System Number	Equivalent Number of Standard Panels entered in the Wednesday and Saturday Competitions	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	6.65	7
8	28	26.60	8
9	84	79.80	9
10	210	199.50	10
11	462	438.90	11
12	924	877.80	12
13	1716	1,630.20	13
14	3003	2,852.85	14
15	5005	4,754.75	15
16	8008	7,607.60	16
17	12376	11,757.20	17
18	18564	17,635.80	18

(vi) in respect of an Entry into the Saturday Competition:

System Number	Equivalent Number of Standard Panels entered in the Saturday Competition	Subscription per Panel \$	Number of Bounded Areas to be Marked in each Panel
7	7	3.85	7
8	28	15.40	8
9	84	46.20	9
10	210	115.50	10
11	462	254.10	11
12	924	508.20	12
13	1716	943.80	13
14	3003	1,651.65	14
15	5005	2,752.75	15
16	8008	4,404.40	16
17	12376	6,806.80	17
18	18564	10,210.20	18

#### **RULE 10 MULTI-WEEK ENTRY**

- (a) A Multi-Week Entry may be made by way of an Entry Form or via Automatic Entry.
- (b) A Multi-Week Entry may be made in respect of any of the consecutive Games of Lotto prescribed in Rule 10 (d).

- (c) Either a Standard Entry or System Entry shall be selected by Marking the appropriate Bounded Area on the Entry Form.
- (d) A Multi-Week Entry may be made in:
- (i) Two (2), five (5), ten (10) or twenty five (25) consecutive Monday Competitions;
  - (ii) Two (2), five (5), ten (10) or twenty five (25) consecutive Wednesday Competitions;
  - (iii) Two (2), five (5), ten (10) or twenty five (25) consecutive Saturday Competitions;
  - (iv) Two (2), five (5), ten (10) or twenty five (25) consecutive Monday Competitions and Wednesday Competitions or Wednesday Competitions and Monday Competitions;
  - (v) Two (2), five (5), ten (10) or twenty five (25) consecutive Monday Competitions, Wednesday Competitions and Saturday Competitions or Wednesday Competitions, Saturday Competitions and Monday Competitions or Saturday Competitions, Monday Competitions and Wednesday Competitions; and
  - (vi) Two (2), five (5), ten (10) or twenty five (25) consecutive Monday Competitions and Saturday Competitions or Saturday Competitions and Monday Competitions or Saturday Competitions and Wednesday Competitions or Wednesday Competitions and Saturday Competitions.
- (e) Where an Entry Form is used in respect of a Multi-Week Entry, the number of consecutive Games of Lotto to be entered shall be selected by Marking the appropriate Bounded Area on that Entry Form.
- (f) If a Multi-Week Entry Form is forwarded to the Licensee by post with no Bounded Area Marked in accordance with Rule 10(e), the Multi-Week Entry Form shall be taken to be an Entry:
- (i) in respect of the Monday Competition and Wednesday Competition where "Mon" and "Wed" have been Marked or are taken to have been Marked on an Entry Form - for a minimum of two (2) consecutive Monday Competitions and Wednesday Competitions or Wednesday Competitions and Monday Competitions; or
  - (ii) in respect of the Monday Competition and Saturday Competition where "Mon" and "Sat" have been Marked or are taken to have been Marked on an Entry Form - for a minimum of two (2) consecutive Monday Competitions and Saturday Competitions or Saturday Competitions and Monday Competitions; or
  - (iii) in respect of the Wednesday Competition and Saturday Competition where "Wed" and "Sat" have been Marked or are taken to have been Marked on an Entry Form - for a minimum of two (2) consecutive Wednesday Competitions and Saturday Competitions or Saturday Competitions and Wednesday Competitions; or

- (iv) in respect of the Monday Competition, Wednesday Competition and Saturday Competition where “Mon”, “Wed” and “Sat” have been Marked or are taken to have been Marked on an Entry Form - for a minimum of two (2) consecutive Monday Competitions, Wednesday Competitions and Saturday Competitions or two (2) consecutive Wednesday Competitions, Saturday Competitions and Monday Competitions or two (2) consecutive Saturday Competitions, Monday Competitions and Wednesday Competitions; or
- (v) in respect of the Monday Competition, Wednesday Competition and Saturday Competition where “Mon” or “Wed” or “Sat” has been Marked or is taken to have been Marked on an Entry Form - for a minimum of two (2) consecutive Monday Competitions or Wednesday Competitions or Saturday Competitions.
- (g) Subscriptions for a Multi-Week Entry are the total of Subscriptions that would have been payable for an Entry in the Monday Competitions, Wednesday Competitions and Saturday Competitions, or the Monday Competitions and/or Wednesday Competitions and/or Saturday Competitions multiplied by the number of consecutive Games of Lotto in which the Entry is made under this Rule 10 (d) or (f).

**RULE 11 SUBMISSION OF AN ENTRY**

- (a) The Licensee may impose a registration fee payable by a Player or a Syndicate Player for the provision by the Licensee of the player registration service. Application will be by way of an application form as approved by the Chief Executive Officer.
- (b) A person under the age of eighteen (18) years shall not enter a Game of Lotto or a Game of Promotional Lotto.
- (c) An Entry or Automatic Entry may only be made through:
  - (i) an Agent; or

- (ii) a Direct Mail Agent; or
  - (iii) except as provided in Rule 19(n), by post in accordance with paragraphs (i), (l) and (m) of this Rule 11 provided that the Player is a Registered Player or becomes a Registered Player as a result of that Entry.
- (d) The correct Fee or Syndicate Share Fee and player registration fee (if applicable) must be paid by a Player or Syndicate Player to an Agent or to a Direct Mail Agent or to the Licensee in respect of an Entry or Syndicate Entry Share;
- (e) The form of payment of the Fee or Syndicate Share Fee or player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (f)
- (i) If anonymity is desired the Player or Syndicate Player should clearly so indicate on the appropriate Prize claim form or indicate same when completing application to become a Registered Player or Registered Syndicate Player. Players or Syndicate Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's or Syndicate Player's name and address pursuant to the provisions of Rule 13(b)(i) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.
  - (ii) All correspondence to the Chief Executive Officer in accordance with this Rule 11(f) (i) should be addressed:-  

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.
- (g) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player in respect of an Entry, or the Syndicate Player in respect of a Syndicate Entry.
- (h) Where a Player submits an Entry Form or other form of Entry, or in the case of a Syndicate Entry, where a Syndicate Player purchases a Syndicate Entry Share, as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player or Syndicate Player.
- (i) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the Drawing of the first Monday Competition or Wednesday Competition or Saturday Competition relating to that Entry or Syndicate Entry. For the purposes of this paragraph an Entry or Syndicate Entry will be taken to be received when details thereof have been recorded on the central processing computer

equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.

- (j) Other than as provided for in Rules 6(g) and 19(m) no Ticket may be withdrawn or altered after issue to a Player or Syndicate Player without the consent of the Licensee.
- (k) A Player may post an Entry Form to the Licensee at the following address:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (l) An Entry Form sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said form will be processed before the Drawing of the first Monday Competition and/or Wednesday Competition and/or Saturday Competition for which it has been received. The Licensee will post the said form and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (m) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.
- (n) Form of entry in a Game of Promotional Lotto
  - (i) The Chief Executive Officer is to approve the form of entry for a Game of Promotional Lotto;
  - (ii) Without limiting Rule 11 (n)(i), the form of entry in a Game of Promotional Lotto may be any of the following (or combination of the following):
    - (1) part of a Ticket;
    - (2) any other ticket or document;
    - (3) entries made by means of an electronic or mechanical device or by telecommunications system.
  - (iii) If any entry in a Game of Promotional Lotto is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Game of Promotional Lotto:



- (1) constitutes the Player's or Syndicate Player's official receipt;
- (2) is, following its acceptance, to constitute the Player's or Syndicate Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
- (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Game of Promotional Lotto.

## **RULE 12          DETERMINATION OF PRIZES**

- (a) Prizes for each Game of Lotto shall be paid by the Licensee from the Prize Pool and the Prize Reserve Fund in accordance with the provisions and classifications of Rule 12 (e), Division 1, Division 2, Division 3, Division 4 and Division 5, and Rule 12 (f), Division 1, Division 2, Division 3, Division 4 and Division 5.
- (b) Any such Prize shall, where only one (1) Entry or Syndicate Entry is eligible for that Prize, be payable in respect of that Entry or Syndicate Entry, or shall, where two (2) or more Entries and/or Syndicate Entries are eligible for that Prize, be shared equally between those Entries and/or Syndicate Entries.
- (c) Where a Syndicate Entry is eligible for a Prize, such Prize shall be divided by the number of Syndicate Entry Shares in the Syndicate Entry to determine the amount payable in respect of each Syndicate Entry Share.
- (d) Subject to Rule 12(c), the amount payable in respect of a Syndicate Entry Share shall be rounded up to the nearest five (5) cents. Monies required for rounding up shall be drawn from the Prize Reserve Fund.
- (e) Monday and Wednesday Competitions

In respect of the Monday Competition and Wednesday Competition, unless otherwise Approved, the Prize Pool will be distributed in the following indicative percentages that may be varied up or down by the Licensee by a maximum of five (5) percentage points provided the resultant allocation is no lower than half the indicative percentage specified. The Prize Pool distribution shall be subject to a rounding process (which shall be to the nearest sum containing a five (5) cent multiple). Monies required for rounding up shall be drawn from the Division 1 Prize Pool. Where a rounding down process has occurred, the excess monies shall be paid into the Division 1 Prize Pool. Where there is no winner in any one division, subject to the provisions of Division 1 (ii) of this paragraph (e) the percentage of the Prize Pool specified in that division shall be added to the percentage of the Prize Pool specified in the next lower division that contains a winning Entry or Entries or Syndicate Entry or Syndicate Entries in the order as shown below.

## Division 1 -

- (i) A Prize of an amount equal to 54.4% of the Prize Pool shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all six (6) of the Winning Numbers.
- (ii) If no Prize in this Division is payable in respect of any Entry or Syndicate Entry, an amount equal to 54.4% of the Prize Pool shall be retained in the Prize Fund so as to form part of the monies payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all six (6) of the Winning Numbers in the Jackpot Competition.

## Division 2 -

A Prize of an amount equal to 3.0% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but not more than five (5) of the six (6) Winning Numbers together with one (1) or both of the Supplementary Numbers.

## Division 3 -

A Prize of an amount equal to 5.5% of the Prize Pool, or where there is no Prizewinner in Division 2, 8.5% of the Prize Pool, shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but no more than five (5) of the six (6) Winning Numbers.

## Division 4 -

An amount equal to 15.6% of the Prize Pool shall be allocated to this Division, or

- (i) where there is no Prizewinner in Division 3, 21.1% of the Prize Pool; or
- (ii) where there are no Prizewinners in Divisions 2 and 3, 24.1% of the Prize Pool

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but not more than four (4) of the six (6) Winning Numbers;

## Division 5 -

A Prize of an amount equal to 21.5% of the Prize Pool, or

- (i) where there is no Prizewinner in Division 4, 37.1% of the Prize Pool; or
- (ii) where there are no Prizewinners in Divisions 3 and 4, 42.6% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 2, 3 and 4, 45.6% of the Prize Pool

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but not more than three (3) of the six (6) Winning Numbers together with one (1) or both of the Supplementary Numbers.

## (f) Saturday Competition

In respect of the Saturday Competition, unless otherwise Approved, the Prize Pool will be distributed in the following indicative percentages that may be varied up or down by the Licensee by a maximum of five (5) percentage points provided the resultant allocation is no lower than half the indicative percentage specified. The Prize Pool distribution for other than the Division 1 Prize Pool shall be subject to a rounding off process (which shall be to the nearest sum containing a five (5) cent multiple). Monies required for rounding up shall be drawn from the Division 1 Prize Pool. Where a rounding down process has occurred, the excess monies shall be paid into the Division 1 Prize Pool. Where there is no winner in any one division, subject to the provisions of Division 1 (ii) of this paragraph (f) the percentage of the Prize Pool specified in that division shall be added to the percentage of the Prize Pool specified in the next lower division that contains a winning Entry or Entries or Syndicate Entry or Syndicate Entries in the order as shown below.

## Division 1 -

- (i) A Prize of an amount equal to 28% of the Prize Pool shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all six (6) of the Winning Numbers.
- (ii)
  - (A) If no Prize in this Division is payable in respect of any Entry or Syndicate Entry, an amount equal to 28% of the Prize Pool shall be retained in the Prize Fund so as to form part of the monies payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers in the Jackpot Competition;

- (B) Subject to Rule 12 (f) (ii) (C), in the event that there are no winners of the Jackpot Competition referred to in 12 (f) (ii) (A), the amount held in the Prize Fund applicable to that Jackpot Competition shall form part of the Division 1 Prize Pool for the next consecutive Game of Lotto;
- (C) In the event that there are no winners of the Division 1 Prize in the fourth (4<sup>th</sup>) consecutive Jackpot Competition, (being the fifth (5<sup>th</sup>) consecutive Game of Lotto), then the amount held in the Prize Fund as the total prizemoney payable in respect of the fourth (4<sup>th</sup>) Jackpot Competition shall be added to the prizemoney allocated to the next lower division in which a prize is payable in respect of an Entry or Syndicate Entry or Entries or Syndicate Entries in the fifth (5<sup>th</sup>) consecutive Game of Lotto.

Division 2 -

Subject to Rule 12 (f) (ii) (C), a Prize of an amount equal to 6.3% of the Prize Pool shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but not more than five (5) of the six (6) Winning Numbers together with one (1) or both of the Supplementary Numbers.

Division 3 -

Subject to Rule 12 (f) (ii) (C), a Prize of an amount equal to 11.9% of the Prize Pool or, where there is no Prizewinner in Division 2, 18.2% of the Prize Pool, shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but no more than five (5) of the six (6) Winning Numbers.

Division 4 -

Subject to Rule 12 (f) (ii) (C), a Prize of an amount equal to 20.6% of the Prize Pool; or

- (i) where there is no Prizewinner in Division 3, 32.5% of the Prize Pool; or
- (ii) where there are no Prizewinners in Divisions 2 and 3, 38.8% of the Prize Pool

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but not more than four (4) of the six (6) Winning Numbers.

Division 5 -

Subject to Rule 12 (f) (ii) (C), a Prize of an amount equal to 33.2% of the Prize Pool; or

- (i) where there is no Prizewinner in Division 4, 53.8% of the Prize Pool; or
- (ii) where there are no Prizewinners in Divisions 3 and 4, 65.7% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 2, 3 and 4, 72.0% of the Prize Pool

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but not more than three (3) of the six (6) Winning Numbers together with one (1) or both of the Supplementary Numbers.

(g) Second Drawing

The Licensee may, subject to the Approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Game of Lotto whether following a Monday Competition, and/or Wednesday Competition and/or Saturday Competition, provided that:

- (i) the Second Drawing shall be conducted following the Drawing of the Monday Competition, and/or Wednesday Competition and/or Saturday Competition or any combination thereof;
- (ii) an Entry or Syndicate Entry made in respect of the Monday Competition or the Wednesday Competition or the Saturday Competition shall be automatically entered into the Second Drawing in respect of that Monday Competition or Wednesday Competition or Saturday Competition and such Entry or Syndicate Entry shall not require the payment of any further Subscription;
- (iii) the Prize or Prizes payable in relation to the Second Drawing shall be payable in respect of any Entry or Syndicate Entry which, or shall be payable in equal shares in respect of any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers;
- (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
- (v) the Second Drawing shall not involve the drawing of any Supplementary Numbers; and
- (vi) the Second Drawing shall not constitute a separate Game of Lotto but shall be part of either a Monday Competition and/or Wednesday Competition and/or Saturday Competition.

(h) A Game of Lotto may include:

- (i) an additional Prize or Prizes; and/or

- (ii) Prizes paid on special occasions; and/or
- (iii) Prizes paid pursuant to Rule 12 (g)

Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.

(i) Prizes in a Game of Promotional Lotto

- (i) The Prizes payable in a Game of Promotional Lotto may consist of one or more of the following:

- (1) money;
- (2) holidays;
- (3) travel;
- (4) accommodation;
- (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
- (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.

- (ii) A Prize in a Game of Promotional Lotto must not consist of or include tobacco.

- (iii) A Prize in a Game of Promotional Lotto must not consist of or include liquor within the meaning of the Liquor Act 1982.

(j) Determination of Prizes in a Game of Promotional Lotto

- (i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Game of Promotional Lotto.

- (ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Game of Promotional Lotto conducted by it.

- (iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Game of Promotional Lotto, including (but not limited to) the following:

- (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
- (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
- (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;

- (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
  - (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.
- (iv) The Prizes in a Game of Promotional Lotto are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Game of Promotional Lotto.

**RULE 13            ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE-WINNERS**

- (a) Following each Drawing of a Game of Lotto the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the Winning Numbers and the Supplementary Numbers;
  - (ii) the amount of the Prize Pool allocated to each Division;
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners; and
  - (iv) the value of Prizes and the number of Prize-winners in respect of Division 2, Division 3, Division 4 and Division 5.
- (b) Following each Drawing of a Game of Lotto the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 11(f)(i) or where Provisional Prize Winners are not Registered Players or Registered Syndicate Players;
  - (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 14(a), 14 (b), 14(i) and 14(k) must be made.
- (c) Where appropriate the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Game of Promotional Lotto as soon as possible after the completion of such Game of Promotional Lotto.
- (d) The Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Second Drawing as soon as possible after the completion of that Second Drawing.



**RULE 14 PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES AND PROVISIONAL PRIZES**

In relation to a Game of Lotto:

- (a)
- (i) Other than as provided for Registered Players and Registered Syndicate Players, any Provisional Prize (or in the case of a Syndicate Entry, a share of any Provisional Prize) must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with Rule 14(a)(i) is the day of receipt by the Licensee.
- (b) A Registered Player winning a Provisional Prize (or in the case of a Syndicate Entry, a Registered Syndicate Player winning a share of a Provisional Prize) exceeding \$10,000 will be notified personally or by mail within five (5) calendar days after the Drawing Date. In respect of any Provisional Prize won by a Registered Player (or in the case of a Syndicate Entry, any share of a Provisional Prize won by a Registered Syndicate Player) the Chief Executive Officer may require that Registered Player or Registered Syndicate Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) hereof;
- (c) Where a Registered Player or Registered Syndicate Player has been requested to claim the Provisional Prize in accordance with Rule 14(b) the Prize may be paid in accordance with the procedure and conditions set out in Rule 14(d) hereof;
- (d) A Provisional Prize or Share of a Provisional Prize shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer;
- (e) For Registered Players, any Prize (or in the case of a Registered Syndicate Player, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal not earlier than the day immediately after, and not later than eight (8) weeks after, the relevant Drawing Date. Prizes not so claimed will be paid by the Licensee by cheque or at the discretion of the Licensee by electronic funds transfer after the expiry of eight (8) weeks after the Drawing Date; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted therefrom;
- (f) For a Player or Syndicate Player who is not a Registered Player or Registered Syndicate Player, any Prize (or in the case of a Syndicate Entry, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player or Syndicate Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period of not less than eight (8) weeks;

- (g) Subject to Rules 14(a), 14(b), 14(c), 14(d) and 14(e) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings;
- (h) A Prize or, in the case of a Syndicate Entry, a share of a Prize, not paid by an Agent in accordance with Rule 14(f) will be paid by the Licensee by cheque, or at the discretion of the Licensee by electronic funds transfer, upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require. A sum representing the cost of processing as approved by the Chief Executive Officer will be deducted from the Prize or share of a Prize so paid;
- (i) A:
- (i) Registered Player or Registered Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) pursuant to Rule 14(b) and who has not been notified within five (5) days in accordance with Rule 14(b) and/or whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal; or
  - (ii) Player or Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) and whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal;

must claim immediately by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 14(l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after the Drawing Date, starting on the day immediately following the Drawing Date.

A claim not received in accordance with this Rule 14(i) will be rejected and the Licensee shall have no liability in relation thereto;

- (j) The Entry or Syndicate Entry subject of a claim for a Provisional Prize made in accordance with Rule 14(i) shall be entitled to that Provisional Prize if it is found by the Licensee to be a winning Entry or winning Syndicate Entry before the expiry of the Provisional Period, and in such case the Provisional Prize amount shall be varied to take into account the new Provisional Prize Winner;
- (k) A:
- (i) Player or Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
  - (ii) Registered Player or Registered Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal and/or where the Prize has not been paid in accordance with Rule 14(e);

must lodge a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l);

- (l) The particulars required in accordance with the provisions of Rules 14(a), 14(b), 14(i) and 14(k), are:
  - (i) the name and address of the Player or Syndicate Player;
  - (ii) the Ticket Serial Number;
  - (iii) the Numbers included on the relevant numbered line on the Ticket;
  - (iv) the Player's or Syndicate Player's registration number if a Registered Player or Registered Syndicate Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires;
- (m) Notwithstanding the provisions of this Rule 14, if an Entry or Syndicate Entry which would otherwise have been entitled to a Prize or share of a Prize not exceeding \$1000.00 is discovered after the payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player or Syndicate Player the same Prize or share of a Prize as is being paid to winning Players or winning Syndicate Players or such other Prize amount or Share of a Prize amount as determined by the Chief Executive Officer;
- (n) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize (or in the case of a Syndicate Entry a share of a Prize or a Provisional Prize) to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is the Player entitled to that Prize or Provisional Prize (or, in the case of a Syndicate Entry, is the Syndicate Player entitled to a share of that Prize or Provisional Prize). Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player or Syndicate Player may fail to meet one or more of the elements (1) or (2) contained in Rules 1(a)(xxxix) or 1(a)(lvii) or may fail to meet some or all of the provisions contained in these Rules governing Prize entitlement;
- (o) All cheques will be crossed and marked "Not Negotiable" and will be drawn in favour of the Player or Syndicate Player in accordance with these Rules;
- (p) Subject to Rule 14(i), at any time before the payment of Prizes the Chief Executive Officer may correct an error made in determining the number of Entries or Syndicate Entries entitled thereto or the amount thereof;
- (q) The payment of a Prize or share of a Prize to any Player or Syndicate Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;

- (r) Subject to section 27 of the Act, all unclaimed or uncollected Prizes or shares of Prizes shall be retained in the Prize Fund for payment to the Players or Syndicate Players entitled thereto;
- (s) Remittances for payments of Prizes or shares of Prizes may include all Prizes or shares of Prizes won on the same Ticket;
- (t) Where payment by the Licensee of a Prize or share of a Prize is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
- (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player or Syndicate Player;
- (u) Where payment of a Prize or share of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player or Registered Syndicate Player, to the name and address appearing on the Licensee's records relating to that Player or Syndicate Player.
- Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same;
- (v) Any Prize or share of a Prize sent by the Licensee to a Player or Syndicate Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player or Syndicate Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability;
- (w) The payment of all Prizes or shares of Prizes pursuant to this Rule 14 will discharge the Licensee from liability notwithstanding the existence of any trust whether express, constructive or implied. Where the Licensee has paid a Player or Syndicate Player pursuant to this Rule 14 and the Chief Executive Officer is, after such payment has been made, of the view that the Player or Syndicate Player was not the Player or Syndicate Player to whom such payment should have been made the Player or Syndicate Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her;
- (x) A Prize or share of a Prize may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize or a share of a Prize may be forwarded by an Agent to the Licensee at the request of a Player or the Player may forward the Prize claim form to the Licensee direct.

- (y) Any Prize or share of a Prize to be paid in accordance with Rule 12(g) or Rule 12(i) shall be forwarded to the winner thereof in such manner as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct;
- (z) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (aa) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (ab) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.
- (ac) Payment of Prizes in a Game of Promotional Lotto
  - (i) A Prize is not payable in a Game of Promotional Lotto unless:
    - (1) the entry submitted in a Game of Promotional Lotto is in the form determined by the Chief Executive Officer under Rule 11(n)(i); and
    - (2) if the form of entry requires the Player or Syndicate Player to have purchased a Ticket in a Game of Lotto, the Ticket in the Game of Lotto must satisfy any test used by the Chief Executive Officer to determine whether the Ticket in the Game of Lotto is valid,and the claimant has complied with all conditions relating to the Game of Promotional Lotto advertised under Rule 12(j)(ii).
  - (ii) The Licensee may record on an entry in a Game of Promotional Lotto a verification code or other test and use it to determine whether the entry in a Game of Promotional Lotto is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Game of Promotional Lotto, on which such a test is recorded, if the entry does not satisfy the test.

## **RULE 15      DISQUALIFICATIONS**

- (a) Notwithstanding that:
  - (i) a Ticket may have issued; or
  - (ii) a Drawing has occurred in respect of a Ticket;

an Entry or a Syndicate Entry Share in a Game of Lotto or entry in a Game of Promotional Lotto may be disqualified and no Prize claim shall be made in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified. Any Ticket having issued in respect of an Entry or a Syndicate Entry Share in a Game of Lotto which is disqualified shall automatically be void and cancelled.

- (b) The reasons for disqualification may include but are not limited to:
- (i) tender of insufficient Fee or, in the case of a Syndicate Entry Share, insufficient Syndicate Share Fee, a dishonoured cheque or if the form of remittance is not acceptable;
  - (ii) the Player or Syndicate Player has defaulted in payment of any previous Fee or Syndicate Share Fee;
  - (iii) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
  - (iv) Ticket fails any security tests of the Licensee;
  - (v) reasonable suspicion of unauthorised use of a Computer Linked Terminal;
  - (vi) a Malfunction occurring in respect of the Computer Linked Terminal or the Licensee's central processing computer equipment; or
  - (vii) any other breach of these Rules which justifies disqualification.
- (c) The Licensee shall use its best endeavours to notify a Player or Syndicate Player, whose name and address is known to the Licensee, that an Entry or Syndicate Entry Share has been disqualified and the reason therefore and the Licensee shall in respect thereof refund to the Player any Subscription paid or to the Syndicate Player any Syndicate Share Fee paid less that part of the Syndicate Share Fee that represents the relevant proportion of Commission. Where the Licensee does not know of the name and address of a Player or Syndicate Player the Licensee shall publicise, in a manner determined by the Chief Executive Officer, the disqualification of such Entry or Syndicate Entry Share.

#### **RULE 16            LIMITATION OF LIABILITY**

- (a) By entering a Game of Lotto or Game of Promotional Lotto a Player or Syndicate Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or Syndicate Player or any other person by reason of the loss or destruction of a Ticket or a ticket in a Game of Promotional Lotto for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription (or in the case of a Syndicate Entry that part of the Syndicate Share Fee that represents the relevant proportion of Subscription) paid in respect of that Ticket.
- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize or a Syndicate Player who claims a share in a Prize and is unable to submit a Ticket or a



ticket in a Game of Promotional Lotto. The Licensee shall have discharged all liability in relation to payment of a Prize or share of a Prize by making payment to a person in accordance with Rule 14.

- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee or contractor of the Licensee shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Lotto or Game of Promotional Lotto; and
  - (ii) without prejudice to the generality of Rule 16(d)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize;
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of Lotto or entry in a Game of Promotional Lotto received by way of Entry Form or Automatic Entry;
    - (5) the receipt and processing of a Prize claim form; or
    - (6) the cancellation of a Ticket; and
  - (iii) without prejudice to the generality of Rule 16(d)(i) and Rule 16(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
    - (1) the processing of an Entry Form;
    - (2) the issue of a Ticket;
    - (3) the completion of a Prize claim form;
    - (4) the receipt of a Prize claim form;
    - (5) the processing of a Prize claim;
    - (6) the payment of a Prize;
    - (7) the cancellation of a Ticket; and
  - (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.



- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Lotto or Game of Promotional Lotto; and
  - (ii) without prejudice to the generality of Rule 16(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize; or
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of Lotto or entry in any particular Game of Promotional Lotto received by way of Entry Form or Automatic Entry.
- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or Syndicate Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Game of Lotto or Game of Promotional Lotto due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the acceptance and processing of any Entry Form or Automatic Entry culminating in the issue of a Ticket or a ticket in a Game of Promotional Lotto, an Agent shall for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
- (j) Notwithstanding the provisions of Rule 16 (h), in the acceptance of Commission in respect of an Entry by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player and in the

acceptance by an Agent of that part of the Syndicate Share Fee that represents the relevant proportion of Commission in respect of a Syndicate Entry the agent shall for this purpose be the agent of the Licensee and not the agent of the Syndicate Player.

- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 16(a) to 16(j) inclusive as those protected by said Rules.

#### **RULE 17**

- (a) The Lotto Rules made pursuant to the Lotto Act and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer entries made pursuant to Rules previously in force under any earlier Licence and which relate to a Drawing or Drawings to be conducted on or after the date these Rules take effect shall be taken to be submitted as entries in such Drawing or Drawings pursuant to those previous Rules.

#### **RULE 18           AGREEMENTS RELATING TO A GAME OF PROMOTIONAL LOTTO**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Game of Promotional Lotto.

#### **RULE 19           A SYNDICATE ENTRY**

- (a) An Entry as specified in column 1 of Schedule 3 and Schedule 4 shall be a Syndicate Entry if specified in, respectively:
- (i) column 3 of Schedule 3; or
  - (ii) column 3 of Schedule 4.
- (b) A Syndicate Entry may be divided into separate Syndicate Entry Shares as shown in:
- (i) column 4 of Schedule 3; or
  - (ii) column 4 of Schedule 4.
- (c) The Syndicate Share Fee for each Syndicate Entry Share shall be the amount specified in, respectively:
- (i) column 5 of Schedule 3; or
  - (ii) column 5 of Schedule 4.

- (d) The Syndicate Player must pay the Syndicate Share Fee in respect of each Syndicate Entry Share purchased by the Syndicate Player.
- (e) Before the Agent sells a Syndicate Entry Share in a Syndicate Entry the Agent must by means of the Computer Linked Terminal direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the Syndicate Entry nominated by the Agent.
- (f) An Agent who has directed the Licensee's central processing computer equipment pursuant to rule 19(e) may also direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the nominated Syndicate Entry which sale may be effected by the Agent and also by other Agents nominated by the Agent.
- (g) Where no Syndicate Entry Share has been sold in a Syndicate Entry in respect of which the Agent has made a direction in accordance with Rule 19(e) that Syndicate Entry:
  - (i) is not eligible to be entered into a Game of Lotto;
  - (ii) shall not be included in a Drawing; and
  - (iii) is not entitled to receive any Prize.
- (h) For the sake of clarity, no person or other legal entity is entitled to receive a Prize in the event of the occurrence of the circumstances specified in Rule 19(g).
- (i) Where at least one (1) but not all Syndicate Entry Shares have been sold in respect of a Syndicate Entry before the Drawing of the Game of Lotto into which the Syndicate Entry is entered the Agent responsible for directing the central processing computer equipment pursuant to Rule 19(e) in respect of that Syndicate Entry shall be solely liable for and shall pay to the Licensee all Syndicate Entry Share Fees which have not been paid in respect of the unsold Syndicate Entry Shares in the Syndicate Entry and in such case, for the purposes of these Rules, and in relation to such unsold Syndicate Entry Share or Shares, the Agent shall be considered to be the Syndicate Player. In these circumstances the Syndicate Entry shall be:
  - (i) eligible to be entered into the Game of Lotto;
  - (ii) be included in the Drawing; and
  - (iii) be entitled to receive any Prize.
- (j) The Licensee may pay a fee or reward to its Agents for the promotion of any Syndicate Entry or sale of any Syndicate Entry Shares other than the Syndicate Share Fee.
- (k) Upon payment of the Syndicate Share Fee in respect of a Syndicate Entry Share a Syndicate Player shall be entitled to receive a Ticket.
- (l) Each Syndicate Entry Share shall have the same Numbers as the Syndicate Entry nominated by the Agent pursuant to Rule 19(e).

- (m) An Agent may cancel a Ticket in respect of a Syndicate Entry Share sold by the Agent provided such cancellation takes place on the day the Syndicate Entry Share was purchased and prior to the Drawing, and provided at least one (1) Syndicate Entry Share remains unsold in respect of the relevant Syndicate Entry.
- (n) A Syndicate Entry Share may not be purchased by post from the Licensee.

## SCHEDULE 1

## Lotto Commission - Monday and/or Wednesday Competitions

Entry Type		Monday or Wednesday entry	Monday and Wednesday entry
<b>Standard</b>			
	(4 games)	\$0.25	\$0.40
	(6 games)	\$0.30	\$0.50
	(8 games)	\$0.40	\$0.60
	(10 games)	\$0.45	\$0.65
	(12 games)	\$0.50	\$0.70
	(14 games)	\$0.60	\$0.80
	(16 games)	\$0.70	\$0.85
	(18 games)	\$0.80	\$1.00
	(24 games)	\$0.90	\$1.20
	(30 games)	\$1.00	\$1.40
	(36 games)	\$1.50	\$1.70
<b>System</b>			
	7	\$0.30	\$0.40
	8	\$0.80	\$1.10
	9	\$2.00	\$3.40
	10	\$4.00	\$7.90
	11	\$9.20	\$18.00
	12	\$18.40	\$35.00
	13	\$33.60	\$65.00
	14	\$61.80	\$120.00
	15	\$100.00	\$195.00
	16	\$160.80	\$310.00
	17	\$245.60	\$480.00
	18	\$370.40	\$735.00
<b>Multiweek Standard</b>			
	<i>(No. of Weeks)</i>		
(4 games)	2	\$0.35	\$0.50
	5	\$0.60	\$0.70
	10	\$1.20	\$1.30
	25	\$1.80	\$2.00
(6 games)	2	\$0.40	\$0.60
	5	\$0.65	\$0.80
	10	\$1.20	\$1.30
	25	\$1.80	\$2.00
(8 games)	2	\$0.45	\$0.70
	5	\$0.70	\$0.90
	10	\$1.40	\$1.50
	25	\$2.00	\$2.20

(10 games)	2	\$0.55	\$0.80
	5	\$0.80	\$1.00
	10	\$1.50	\$1.60
	25	\$2.20	\$2.30
(12 games)	2	\$0.60	\$0.90
	5	\$0.90	\$1.10
	10	\$1.50	\$1.70
	25	\$2.40	\$2.60
(14 games)	2	\$0.80	\$1.00
	5	\$1.10	\$1.20
	10	\$1.70	\$1.90
	25	\$2.50	\$2.70
(16 games)	2	\$0.90	\$1.10
	5	\$1.20	\$1.30
	10	\$1.80	\$2.00
	25	\$2.60	\$2.80
(18 games)	2	\$1.00	\$1.20
	5	\$1.30	\$1.60
	10	\$2.00	\$2.20
	25	\$2.70	\$3.20
(24 games)	2	\$1.10	\$1.40
	5	\$1.40	\$1.80
	10	\$2.20	\$2.70
	25	\$2.90	\$4.00
(30 games)	2	\$1.40	\$1.60
	5	\$1.90	\$2.20
	10	\$2.80	\$3.00
	25	\$4.50	\$4.80
(36 games)	2	\$1.70	\$2.00
	5	\$2.20	\$2.60
	10	\$3.20	\$3.80
	25	\$5.00	\$6.00
<b>Multiweek Systems</b>	<b>(No. of Weeks)</b>		
Systems 7	2	\$0.40	\$0.60
	5	\$0.60	\$0.90
	10	\$1.20	\$1.50
	25	\$2.70	\$2.80

Systems 8	2	\$1.00	\$1.40
	5	\$1.40	\$2.00
	10	\$3.00	\$4.00
	25	\$6.00	\$7.00
Systems 9	2	\$2.20	\$3.70
	5	\$2.40	\$4.00
	10	\$5.00	\$6.00
	25	\$8.00	\$9.00
Systems 10	2	\$4.40	\$9.00
	5	\$5.00	\$11.00
	10	\$6.00	\$13.00
	25	\$9.00	\$15.00
Systems 11	2	\$9.80	\$20.00
	5	\$11.00	\$23.00
	10	\$13.00	\$25.00
	25	\$20.00	\$30.00
Systems 12	2	\$20.00	\$38.00
	5	\$22.00	\$42.00
	10	\$25.00	\$46.00
	25	\$30.00	\$50.00
Systems 13	2	\$35.00	\$70.00
	5	\$40.00	\$75.00
	10	\$45.00	\$85.00
	25	\$50.00	\$100.00
Systems 14	2	\$64.00	\$125.00
	5	\$75.00	\$130.00
	10	\$85.00	\$140.00
	25	\$100.00	\$160.00
Systems 15	2	\$110.00	\$210.00
	5	\$120.00	\$230.00
	10	\$140.00	\$260.00
	25	\$160.00	\$300.00



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Systems 16	2	\$165.00	\$320.00
	5	\$175.00	\$340.00
	10	\$185.00	\$365.00
	25	\$200.00	\$380.00
Systems 17	2	\$250.00	\$495.00
	5	\$260.00	\$510.00
	10	\$270.00	\$540.00
	25	\$300.00	\$600.00
Systems 18	2	\$375.00	\$745.00
	5	\$390.00	\$775.00
	10	\$400.00	\$790.00
	25	\$420.00	\$830.00

**SCHEDULE 2**  
**Lotto Commission - Saturday Competition**

	Entry Type	Saturday Entry
<b>Standard</b>		
	(4 games)	\$0.25
	(6 games)	\$0.40
	(8 games)	\$0.50
	(10 games)	\$0.65
	(12 games)	\$0.80
	(14 games)	\$0.90
	(16 games)	\$1.00
	(18 games)	\$1.10
	(24 games)	\$1.50
	(30 games)	\$1.90
	(36 games)	\$2.10
<b>System</b>		
	7	\$0.55
	8	\$1.20
	9	\$2.40
	10	\$6.00
	11	\$12.90
	12	\$25.80
	13	\$46.20
	14	\$80.85
	15	\$134.75
	16	\$219.60
	17	\$339.20
	18	\$499.80
<b>Multiweek Standard</b>		
	<i>(No. of Weeks)</i>	
(4 games)	2	\$0.50
	5	\$1.20
	10	\$2.30
	25	\$5.60
(6 games)	2	\$0.80
	5	\$1.80
	10	\$3.60
	25	\$7.20
(8 games)	2	\$1.00
	5	\$2.30
	10	\$4.60
	25	\$9.40

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(10 games)	2	\$1.30
	5	\$3.00
	10	\$6.00
	25	\$12.20
(12 games)	2	\$1.50
	5	\$3.60
	10	\$7.20
	25	\$14.50
(14 games)	2	\$1.70
	5	\$4.00
	10	\$7.80
	25	\$16.70
(16 games)	2	\$1.90
	5	\$4.50
	10	\$9.00
	25	\$18.90
(18 games)	2	\$2.00
	5	\$4.80
	10	\$9.60
	25	\$21.00
(24 games)	2	\$3.00
	5	\$7.00
	10	\$14.20
	25	\$28.40
(30 games)	2	\$3.80
	5	\$8.90
	10	\$17.80
	25	\$35.60
(36 games)	2	\$4.00
	5	\$10.20
	10	\$19.00
	25	\$38.00

<b>Multiweek Systems</b>	<b>(No. of Weeks)</b>	
Systems 7	2	\$0.70
	5	\$1.10
	10	\$2.20
	25	\$4.40
Systems 8	2	\$1.65
	5	\$2.40
	10	\$4.70
	25	\$9.30
Systems 9	2	\$3.00
	5	\$3.60
	10	\$6.30
	25	\$12.80
Systems 10	2	\$4.80
	5	\$6.40
	10	\$10.50
	25	\$21.00
Systems 11	2	\$10.10
	5	\$12.50
	10	\$22.70
	25	\$44.00
Systems 12	2	\$19.10
	5	\$23.50
	10	\$45.70
	25	\$89.00
Systems 13	2	\$31.20
	5	\$41.00
	10	\$66.00
	25	\$132.00
Systems 14	2	\$51.00
	5	\$66.00
	10	\$124.00
	25	\$145.00

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Systems 15	2	\$85.00
	5	\$107.00
	10	\$203.00
	25	\$234.00
Systems 16	2	\$144.00
	5	\$179.00
	10	\$245.00
	25	\$286.00
Systems 17	2	\$205.00
	5	\$258.00
	10	\$360.00
	25	\$395.00
Systems 18	2	\$343.00
	5	\$423.00
	10	\$675.00
	25	\$715.00

**SCHEDULE 3**  
**LOTTO - Monday Competition or Wednesday Competition**

Column 1	Column 2	Column 3	Column 4	Column 5
<b>Entry</b>	<b>Entry Fee</b>	<b>Syndicate Entry</b>	<b>Syndicate Entry Shares</b>	<b>Syndicate Share Fee per panel (cost per Share)</b>
System 8	\$12.00	System 8	8	\$1.50
System 8	\$12.00	System 8	10	\$1.20
System 10	\$88.00	System 10	5	\$17.60
System 10	\$88.00	System 10	10	\$8.80
System 10	\$88.00	System 10	16	\$5.50
System 10	\$88.00	System 10	20	\$4.40
System 11	\$194.00	System 11	5	\$38.80
System 11	\$194.00	System 11	8	\$24.25
System 11	\$194.00	System 11	10	\$19.40
System 11	\$194.00	System 11	20	\$9.70
System 12	\$388.00	System 12	5	\$77.60
System 12	\$388.00	System 12	10	\$38.80
System 12	\$388.00	System 12	20	\$19.40
System 12	\$388.00	System 12	40	\$9.70
System 13	\$720.00	System 13	5	\$144.00
System 13	\$720.00	System 13	10	\$72.00
System 13	\$720.00	System 13	20	\$36.00
System 13	\$720.00	System 13	30	\$24.00
System 13	\$720.00	System 13	60	\$12.00
System 14	\$1,263.00	System 14	5	\$252.60
System 14	\$1,263.00	System 14	10	\$126.30
System 14	\$1,263.00	System 14	20	\$63.15
System 14	\$1,263.00	System 14	30	\$42.10
System 14	\$1,263.00	System 14	60	\$21.05
System 15	\$2,102.00	System 15	5	\$420.40
System 15	\$2,102.00	System 15	10	\$210.20
System 15	\$2,102.00	System 15	20	\$105.10
System 15	\$2,102.00	System 15	40	\$52.55
System 16	\$3,364.00	System 16	5	\$672.80
System 16	\$3,364.00	System 16	10	\$336.40
System 16	\$3,364.00	System 16	20	\$168.20
System 16	\$3,364.00	System 16	40	\$84.10
System 16	\$3,364.00	System 16	80	\$42.05
System 17	\$5,196.00	System 17	5	\$1,039.20
System 17	\$5,196.00	System 17	10	\$519.60
System 17	\$5,196.00	System 17	20	\$259.80
System 17	\$5,196.00	System 17	40	\$129.90
System 17	\$5,196.00	System 17	80	\$64.95
System 18	\$7,796.00	System 18	5	\$1,559.20
System 18	\$7,796.00	System 18	10	\$779.60

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System 18	\$7,796.00	System 18	20	\$389.80
System 18	\$7,796.00	System 18	40	\$194.90
System 18	\$7,796.00	System 18	80	\$97.45



## SCHEDULE 4

## LOTTO - Saturday Competition

Column 1	Column 2	Column 3	Column 4	Column 5
Entry	Entry Fee	Syndicate Entry	Syndicate Entry Shares	Syndicate Share Fee per panel (cost per Share)
System 9	\$48.60	System 9	6	\$8.10
System 9	\$48.60	System 9	12	\$4.05
System 10	\$121.50	System 10	5	\$24.30
System 10	\$121.50	System 10	10	\$12.15
System 10	\$121.50	System 10	15	\$8.10
System 11	\$267.00	System 11	5	\$53.40
System 11	\$267.00	System 11	10	\$26.70
System 11	\$267.00	System 11	15	\$17.80
System 11	\$267.00	System 11	30	\$8.90
System 12	\$534.00	System 12	5	\$106.80
System 12	\$534.00	System 12	10	\$53.40
System 12	\$534.00	System 12	15	\$35.60
System 12	\$534.00	System 12	20	\$26.70
System 12	\$534.00	System 12	30	\$17.80
System 13	\$990.00	System 13	5	\$198.00
System 13	\$990.00	System 13	10	\$99.00
System 13	\$990.00	System 13	22	\$45.00
System 13	\$990.00	System 13	30	\$33.00
System 13	\$990.00	System 13	55	\$18.00
System 13	\$990.00	System 13	60	\$16.50
System 14	\$1,732.50	System 14	5	\$346.50
System 14	\$1,732.50	System 14	11	\$157.50
System 14	\$1,732.50	System 14	21	\$82.50
System 14	\$1,732.50	System 14	33	\$52.50
System 14	\$1,732.50	System 14	55	\$31.50
System 15	\$2,887.50	System 15	5	\$577.50
System 15	\$2,887.50	System 15	11	\$262.50
System 15	\$2,887.50	System 15	25	\$115.50
System 15	\$2,887.50	System 15	35	\$82.50
System 15	\$2,887.50	System 15	55	\$52.50
System 16	\$4,624.00	System 16	5	\$924.80
System 16	\$4,624.00	System 16	10	\$462.40
System 16	\$4,624.00	System 16	20	\$231.20
System 16	\$4,624.00	System 16	40	\$115.60
System 17	\$7,146.00	System 17	5	\$1,429.20
System 17	\$7,146.00	System 17	10	\$714.60
System 17	\$7,146.00	System 17	20	\$357.30
System 17	\$7,146.00	System 17	40	\$178.65
System 18	\$10,710.00	System 18	5	\$2,142.00
System 18	\$10,710.00	System 18	12	\$892.50
System 18	\$10,710.00	System 18	20	\$535.50
System 18	\$10,710.00	System 18	30	\$357.00
System 18	\$10,710.00	System 18	60	\$178.50
System 18	\$10,710.00	System 18	70	\$153.00
System 18	\$10,710.00	System 18	105	\$102.00

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**PUBLIC LOTTERIES ACT 1996****POWERBALL - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Powerball and Games of Promotional Powerball by the New South Wales Lotteries Corporation effective from 2 July 2009.

Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****POWERBALL RULES**


It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of the Game of Powerball and Promotional Powerball. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1      DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Game of Powerball) and Subscriptions for Games of Powerball;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Games of Powerball conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of Games of Powerball;
  - (v) "Ancillary Fee" means a fee which the Chief Executive Officer of the Licensee may from time to time authorise a Direct Mail Agent to charge a Player or Syndicate Player from whom a Direct Mail Agent accepts a subscription;
  - (vi) "Approved" means approved in writing by the Minister;
  - (vii) "Automatic Entry" means an Entry or Syndicate Entry in respect of a Game of Powerball made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) wherein the selection of Number is made by way of a Computer Linked Terminal;
  - (viii) "Bounded Area" means the area indicated as such by the symbols "◇" or "□" on the relevant Entry Form containing Numbers;
  - (ix) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);

- (ix) "Commission" means the amounts which the Licensee is Approved to charge the Player or Syndicate for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry or Syndicate Entry to a Game of Powerball but which does not include a charge determined in accordance with Condition 16 (c) of the Licence;
- (x) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of business of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Games of Powerball or games of Promotional Powerball;
- (xi) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player or Syndicate Player and in respect of details of:
- (1) a Player's Entry in a Game of Powerball;
  - (2) a Syndicate Entry;
  - (3) a Syndicate Player's Syndicate Entry Share in a Game of Powerball; and
  - (4) where appropriate a Player's entry in a game of Promotional Powerball
- and which is retained or recorded on magnetic tape or otherwise stored;
- (xii) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Game of Powerball and instructions with respect to a Game of Promotional Powerball from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xiii) "Director" means a Director of the Board of Directors of the Licensee;
- (xiv) "Drawing" means:
- (1) in relation to a Game of Powerball (but not including a Second Drawing) the selection of the Winning Numbers by lot using Drawing Devices;
  - (2) in relation to a Second Drawing the selection by lot of the Winning Numbers using Drawing Devices;
- (xv) "Drawing Date" in relation to a Game of Powerball means the date on which the Winning Numbers are drawn in respect of that Game of Powerball and, provided there is no inconsistency and where the context admits, includes the date on which the Winning Numbers are drawn in respect of a Second Drawing of a Game of Powerball;

- (xvi) "Drawing Devices" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xvii) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;
- (xviii) "Entry" means the Numbers in a Game of Powerball which have been recorded in the central processing computer equipment, which have been selected by way of an Entry Form or Automatic Entry, which (subject to Rule 6(e)) have been Imprinted on the same numbered line on a Ticket and in respect of which the correct Subscription or correct Syndicate Share Fee, as the case may be, has been paid;
- (xix) "Entry Form" means the approved form to be completed by a Player or a Syndicate Player wishing to use this form of entry to enter a Game of Powerball and/or Game of Promotional Powerball;
- (xx) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Drawing/s remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawings.
- (xxi) "Fee" means the sum of the Commission and Subscription;
- (xxii) "Game of Powerball" means a competition styled as "Powerball" conducted under the Act but does not include Games of Promotional Powerball;
- (xxiii) "Game of Promotional Powerball" means a public lottery conducted for the purpose of promoting a Game of Powerball, and in respect of which:
- (1) eligibility to enter is confined to Players and Syndicate Players in a Game of Powerball; and
  - (2) no further Subscription, Commission or Syndicate Share Fee is charged;
- (xxiv) "Game Panel" in relation to a Game of Powerball consists of two Panels, an upper Panel and a lower Panel.
- (xxv) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;

- (xxvi) "Jackpot Competition" means the Game of Powerball drawn on the seventh day, or such other day as the Minister may direct, after any Drawing, (other than a Second Drawing) including the drawing of a Jackpot Competition, in which no Ticket is eligible for a Prize under Rule 12(e) Division 1(i);
- (xxvii) "Licence" means the License granted to New South Wales Lotteries Corporation pursuant to section 12 of the Act;
- (xxviii) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xxix) "Malfunction" means a failure of any of the following:
- (1) the Drawing Device;
  - (2) the Computer Linked Terminal;
  - (3) the central processing computer equipment;
- to operate in the manner in which it is designed to operate;
- (xxx) "Mark" means the drawing of a vertical line "I" within a Bounded Area  or a cross "X" within a Bounded Area " " in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;
- (xxxi) "Minister" means the Minister for the time being administering the Act;
- (xxxii) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one Drawing;
- (xxxiii) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;
- (xxxiv) "Multi-Week Entry " means an Entry referred to in Rule 10;
- (xxxv) "Numbers" has the same meaning as section 5 of the Act;
- (xxxvi) "Panel" means a separate matrix containing the Numbers from 1 to 45 in arithmetical sequence;
- (xxxvii) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct Games of Powerball under a corresponding law;
- (xxxviii) "Player" means a person who:
- (1) has paid the correct Subscription for a valid Entry; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and
- includes where relevant a person who has validly entered a Game of Promotional Powerball and who holds, bears and submits a ticket in the Game of Promotional Powerball to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;

- (xxxix) "Powerball Number" in relation to a Game of Powerball means the first and only Number drawn from the Powerball barrel;
- (xl) "Prize" means any Prize determined in accordance with Rule 12;
- (xli) "Prize Fund" means an account established under section 27 of the Act and known as the Powerball Prize Fund Account;
- (xlii) "Prize Pool" means the amount allocated for the payment of Prizes being not less than fifty five percent (55%) of all Subscriptions received for a particular Game of Powerball;
- (xliii) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xliv) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the Drawing Date, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xlv) "Provisional Prize" is a Prize in Division 1 and/or a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xlvi) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xlvii) "Registered Player" means a Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (xlviii) "Registered Syndicate Player" means a Syndicate Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Syndicate Player;
- (xlix) "Rules" means these Rules made under the Act any amendment, modification, variation, or abrogation thereof for the time being in force;
- (l) "Second Drawing" means an additional Drawing conducted as part of a Game of Powerball in accordance with the Rules;
- (li) "Standard Entry" means an Entry referred to in Rule 8;
- (lii) "Subscription" means the amounts Approved, excluding Commission, and any amount determined in accordance with the Licence which a Player or Syndicate shall be charged for an Entry;



- (liii) "Syndicate Entry" means an entry which is prescribed in:
- (1) column 3 of Schedule 3;
- (liv) "Syndicate Entry Share" means a share of a Syndicate Entry which is prescribed in:
- (1) column 4 of Schedule 3;
- (lv) "Syndicate Player" means a person who:
- (1) has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and includes a person who has validly entered a Game of Promotional Powerball and who holds, bears and submits a ticket in the Game of Promotional Powerball to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (lvi) "Syndicate Share Fee" means the amount specified in:
- (1) column 5 of Schedule 3
- (lvii) "Systems Entry" means an Entry referred to in Rule 9;
- (lviii) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has paid the correct Subscription for a valid Entry in a Game of Powerball or that a Syndicate Player has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share in a Game of Powerball, and which:
- (1) contains Entry or Syndicate Entry Share details; and
  - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and
  - (3) may include other particulars as determined by the Licensee;
- (lix) "Ticket Serial Number" means the numbers and/or letters Imprinted on a Ticket which constitute official verification of the issue of a Ticket;
- (lx) "Winning Numbers" in relation to a Game of Powerball (including a Second Drawing) means the five numbers drawn from the first barrel plus the Powerball Number;

- (b) In these Rules unless inconsistent with the context:
- (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2 CONDUCT AND DRAWINGS OF GAMES OF POWERBALL AND CONDUCT OF GAMES OF PROMOTIONAL POWERBALL**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Game of Powerball and Game of Promotional Powerball.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players and Syndicate Players.
- (c) Games of Powerball will be drawn on Thursday of each week unless the Minister directs otherwise.
- (d) Drawings undertaken in the State of New South Wales shall be conducted in such manner as approved by the Licensee.

Where a Malfunction in a Drawing device occurs:

- (i) only the Number/s drawn before a Malfunction has commenced shall be Winning Number/s; and
- (ii) in the event that any Winning Number/s is still to be selected after the Malfunction;
  - (1) the Drawing shall commence or re-commence, as the case may be, as soon as practicable after the rectification of the Malfunction; or
  - (2) where the Malfunction cannot be rectified, the Drawing shall commence or re-commence, as the case may be, using substitute Drawing Devices as soon as practicable after the commencement of the Malfunction and shall continue until all Winning Numbers are drawn.
- (e) Drawings conducted outside the State of New South Wales shall be conducted and supervised in accordance with the requirements of the relevant regulatory body for the State or Territory in which the Drawing is conducted.
- (f) The Licensee may conduct a Game of Promotional Powerball in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Game of Promotional Powerball in conjunction with another Game of Powerball or separately from a Game of Powerball or otherwise in conjunction with another lottery conducted by the Licensee.

- (g) A Game of Promotional Powerball shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (h) The Prize structure for a Game of Promotional Powerball shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players and Syndicate Players during the period of each Game of Promotional Powerball.
- (i) During the period in which the Licensee accepts entries in a Game of Promotional Powerball some of the Prizes in the approved Prize structure may already have been won when a Player or Syndicate Player enters the Game of Promotional Powerball leaving the balance of Prizes still available to be won by Players and Syndicate Players at the time of their respective entries.
- (j) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players in a Game of Promotional Powerball of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Game of Promotional Powerball.
- (k) A ticket in a Game of Promotional Powerball may include one or more Prizes to be won on the same ticket.
- (l) A Game of Promotional Powerball may require the Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3      APPLICATION OF RULES**

- (a) All instructions and conditions printed on Entry Forms and Tickets and these Rules shall apply to each Game of Powerball and shall be binding on all Players and Syndicate Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on Entry Forms and Tickets these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Game of Promotional Powerball and shall be binding on all Players and Syndicate Players.
- (d) By entering a Game of Powerball or a Game of Promotional Powerball Players and Syndicate Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).

- (h) These Rules will be displayed and made available for inspection at each Agency.

#### **RULE 4      OBJECT**

The object of the Game of Powerball is to select five (5) Numbers in the upper Panel, and one (1) Number in the lower Panel in a Game Panel, which Numbers are the same as the Winning Numbers.

#### **RULE 5      ELIGIBILITY FOR INCLUSION IN A GAME OF POWERBALL**

- (a) In order for an Entry or Syndicate Entry Share to be eligible for inclusion in a Game of Powerball, before the drawing of that Game of Powerball;
- (i) the Entry or Syndicate Entry Share must have been recorded by the central processing computer equipment;
  - (ii) a valid Ticket must have been issued by the Computer Linked Terminal;
  - (iii) the Entry or Syndicate Entry Share details recorded on such Ticket issued under Rule 5(a)(ii) must match the details held by the Licensee by way of Computer Records; and
  - (iv) the Player or Syndicate Player must have paid the Subscription or Syndicate Share fee as the case may be in relation to such Entry or Syndicate Entry Share.
- (b) Any Ticket issued shall be subject to Rule 6(g) hereof.

#### **RULE 6      RULES APPLYING TO ENTRY FORMS AND TICKETS**

- (a) An Entry Form shall consist of Game Panels, each comprising an upper and lower Panel, which must be completed in the numerical order shown on the Entry Form, commencing with Game Panel 1. A Player or Syndicate Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player or Syndicate Player claiming a resultant Prize may not be entitled to payment of the Prize.
- (b) A completed Entry Form or any other approved form of Entry (including Automatic Entry) completed or made in accordance with these Rules shall be accepted by an Agent and processed on a Computer Linked Terminal and evidenced by the issue of the Ticket to the Player or Syndicate Player. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Entry Form or other approved form of Entry at the time of presentation to the Agent for processing.
- (c) Subject to paragraph (e) below acceptance of a Ticket by a Player or Syndicate Player shall constitute the Player's or Syndicate Player's acknowledgment of the correctness of the details (including Entry or Syndicate Entry Share details) thereon. The Ticket issued to a Player or Syndicate Player shall be the only form issued by the Licensee or its Agent or Direct Mail Agent to the Player or Syndicate Player evidencing the Player's or Syndicate Player's Entry or Syndicate Player's Syndicate Entry Share, as the case may be. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Ticket at the time it is received by a Player or Syndicate Player from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player or Syndicate Player from the Agent.
- (d) In the event that the details recorded on the Player's or Syndicate Player's Ticket are not consistent with the details held by the Licensee by way of Computer Records then the

latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player or Syndicate Player shall be entitled to and the Player or Syndicate Player shall be bound by any such determination.

- (e) Subject to Rule 19(f), a Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the Drawing of the Game of Powerball entered.
- (f) An Agent who has sold a Ticket may cancel a Ticket, with the approval of the Licensee, on the day of the purchase of the ticket, prior to the Drawing of the Game of Powerball entered. When a Ticket has been cancelled by an agent, the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, in respect of such Ticket. A cancelled Ticket shall be void and no prize shall be payable by the Licensee in respect of such Ticket.
- (g) The Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the Drawing of the Game of Powerball entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (h) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket.
- (i) Where Numbers in a Game of Powerball have been transferred to the central processing computer equipment via a Computer Linked Terminal and recorded on the Computer Records but:
  - (i) no Subscription or Syndicate Entry Fee has been paid to the Agent in whose place of business the Computer Linked Terminal is located prior to the close of selling for the Drawing in respect of that Game of Powerball; and
  - (ii) such Agent has failed to cancel the Numbers before the Drawing; thensuch Agent shall be liable for and shall meet the cost of the Subscription or Syndicate Share Fee, as the case may be, in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered:
  - (iii) to have paid the Subscription or Syndicate Share Fee, as the case may be; and
  - (iv) shall be considered a Player or Syndicate Player as the case may be; and
  - (v) shall be the holder of the Entry or Syndicate Entry Share, as the case may be.
- (j) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are

correct.

- (k) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Game of Powerball by a Player with a Direct Mail Agent does not exempt the Player from being bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.
- (l) Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (m) A Ticket shall at all times remain the property of the Licensee and a Player or Syndicate Player shall deliver up any Ticket to the Licensee upon demand.

## **RULE 7      COMMISSION**

The Licensee is Approved to charge a Player or Syndicate Player Commission in the amounts specified in Schedule 1 and 2 of these Rules. By entering a Game of Powerball the Player accepts liability to pay the Commission to the Licensee. By entering a Game of Powerball a Syndicate Player accepts liability to pay to the Licensee that part of the Commission payable in respect of a Syndicate Entry Share. The Subscriptions quoted in Rules 8, 9 and 10 exclude Commission.

## **RULE 8      STANDARD ENTRY**

- (a) For a Standard Entry to be made five (5) Numbers shall have been Marked in the upper Panel in a Game Panel;:
- (b) Subject to Rule 8(a), in a Standard Entry:
  - (i) one (1) Powerball Number shall be selected in the lower Panel in a Game Panel; or
  - (ii) by Marking the appropriate Bounded Area forty five (45) Powerball Numbers shall be selected in the lower Panel in a Game Panel;
- (c) In the case of Rule 8(b)(i):
  - (i) a minimum of two (2) Game Panels must be completed for each Standard Entry Form. Additional Game Panels may be completed up to the total number of Game Panels available to be played in a Game of Powerball. Any additional Game Panels may be completed in multiples of two (2) in numerical order; and
  - (ii) the Subscription for each Standard Entry Form shall be 60 cents per Game Panel;
- (d) In the case of Rule 8(b)(ii):
  - (i) a minimum of one (1) Game Panel must be completed for each Standard Entry Form. Additional Game Panels may be completed up to the total number of Game Panels available to be played in a Game of Powerball. Any additional Game Panels must be completed in numerical order; and
  - (ii) the Subscription for each Standard Entry Form shall be \$ 27.00 per Game Panel;
- (e) In respect of a Standard Entry Form in a Game of Powerball which has been forwarded to

the Licensee by post:

- (i) if more than five (5) Numbers in any upper Panel are Marked in a Game Panel, the Licensee shall disregard the highest Numbers in descending arithmetical sequence until five (5) Marked Numbers remain; and
  - (ii) in respect of a Standard Entry made under Rule 8 (b)(i), if more than one (1) Number in any lower Panel is Marked in a Game Panel, the Licensee shall disregard the highest Numbers in descending arithmetical sequence until one (1) Marked Number remains; and
  - (iii) in respect of a Standard Entry made under Rule 8(b)(ii), if any Numbers are Marked in the lower Panel of a Game Panel, the Licensee shall disregard such Marked Numbers.
- (f) In respect of a Standard Entry in a Game of Powerball which has been forwarded to the Licensee by post, entry shall not take effect and the Licensee shall return the Standard Entry together with any Fees therewith to the Player:
- (i) if less than five (5) Numbers in any upper Panel are Marked in a Game Panel for a Standard Entry; and
  - (ii) in respect of a Standard Entry made pursuant to Rule 8(b)(i), where no number has been Marked in any lower Panel in a Game Panel.

## **RULE 9      SYSTEMS ENTRY**

- (a) A Systems Entry Form allows a Systems Entry to be made by the selection of more than five (5) numbers in the upper Panel in a Game Panel in a Game of Powerball.
- (b) Only one (1) system may be selected for a Systems Entry by Marking the appropriate Bounded Area on an Entry Form. That system shall apply to all upper Panels completed on the Entry Form.
- (c) Subject to Rule 9(a), in a Systems Entry:
- (i) one (1) Powerball Number may be selected by Marking that Number in the lower Panel in a Game Panel; or
  - (ii) forty-five (45) Powerball Numbers may be selected in the lower Panel in a Game Panel by Marking the appropriate Bounded area.
- (d) A Systems Entry made under Rule 9(c)(i) may be made by Marking six (6), seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17), eighteen (18), nineteen (19) or twenty (20) Numbers in any upper Panel. Only one Number may be Marked in any lower Panel in a Game Panel.
- (e) A Systems Entry made under Rule 9(c)(ii) may be made by Marking six (6), seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17), eighteen (18), nineteen (19) or twenty (20) Numbers in any upper Panel. Forty-five Numbers in any lower Panel must be selected by Marking the appropriate Bounded Area on the Entry Form.
- (f) In a Systems Entry made under Rules 9(d) and (9(e), Numbers shall be Marked in accordance with the system selected. In each upper Panel completed the following shall be Marked:

System 6                      -                      six (6) Numbers



System 7	-	seven(7) Numbers
System 8	-	eight (8) Numbers
System 9	-	nine (9) Numbers
System 10	-	ten (10) Numbers
System 11	-	eleven (11) Numbers
System 12	-	twelve (12) Numbers
System 13	-	thirteen (13) Numbers
System 14	-	fourteen (14) Numbers
System 15	-	fifteen (15) Numbers
System 16	-	sixteen (16) Numbers
System 17	-	seventeen (17) Numbers
System 18	-	eighteen (18) Numbers
System 19	-	nineteen (19) Numbers
System 20	-	twenty (20) Numbers

(g) In a Systems Entry made under Rule 9(a):

- (i) one (1) Powerball Number in the lower Panel in a Game Panel may be Marked;  
or
- (ii) the appropriate Bounded Area may be Marked to select forty-five (45) Powerball Numbers in the lower Panel in a Game Panel.

(h) A Systems Entry made under Rule 9(g)(i) may be made by Marking ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17), eighteen (18), nineteen (19) or twenty (20) Numbers in any upper Panel for a Systems Entry. Only one (1) Number may be Marked in any lower Panel in a Game Panel.

Numbers on a Systems Entry under this Rule shall be Marked in accordance with the system selected. In each upper Panel completed the following shall be Marked:

System 10	-	ten (10) Numbers
System 11	-	eleven (11) Numbers
System 12	-	twelve (12) Numbers
System 13	-	thirteen (13) Numbers
System 14	-	fourteen (14) Numbers
System 15	-	fifteen (15) Numbers
System 16	-	sixteen (16) Numbers



System 17	-	seventeen (17) Numbers
System 18	-	eighteen (18) Numbers
System 19	-	nineteen (19) Numbers
System 20	-	twenty (20) Numbers

- (i) A Syndicate Entry made under Rule 9(g)(ii) may be made by Marking six (6), seven (7), eight (8), nine (9), ten (10), eleven (11) or twelve (12) Numbers in any upper Panel. Forty-five (45) Numbers may be selected in any lower Panel by Marking the appropriate Bounded Area on the Entry Form.

Numbers on a Systems Entry under with this Rule shall be Marked in accordance with the system selected. In each upper Panel completed the following shall be Marked:

System 6	-	six (6) Numbers
System 7	-	seven(7) Numbers
System 8	-	eight (8) Numbers
System 9	-	nine (9) Numbers
System 10	-	ten (10) Numbers
System 11	-	eleven (11) Numbers
System 12	-	twelve (12) Numbers

- (j) In respect of a Systems Entry which has been forwarded to the Licensee by post:

- (i) notwithstanding any other provision in these Rules, where a Mark on an Entry Form for a Systems Entry has not been made in accordance with Rule 9(b), or where the Numbers Marked in any upper Panel are inconsistent with the system selected under Rule 9 (f), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selections thereon in such manner and having regard to such factors as the Chief Executive Officer determines.
- (ii) where the Entry has been made under Rule 9(c)(i), if more than one (1) Number in any lower Panel is Marked in a Game Panel the Licensee shall disregard the highest Numbers in descending arithmetical sequence until one (1) Marked Number remains; and
- (iii) where the Entry has been made under Rule 9(c)(ii), if Numbers are Marked in a lower Panel in a Game Panel, the Licensee shall disregard such Marked Numbers;

and thereafter such Systems Entry shall be included in that Game of Powerball and any subsequent evaluation thereof for the purpose of determining the Player's entitlement to a Prize shall be made in accordance with the Chief Executive Officer's interpretation.

- (k) Any number of Game Panels up to the total number of Game Panels available to be played in a Game of Powerball may be completed.
- (l) The Subscriptions for a Systems Entry in respect of an Entry made pursuant to Rule

9(c)(i) are:

System Number	Equivalent Number of Standard Panels entered	Subscription Per Panel \$	Number of Bounded Areas to be marked in each upper Panel
6	6	3.60	6
7	21	12.60	7
8	56	33.60	8
9	126	75.60	9
10	252	151.20	10
11	462	277.20	11
12	792	475.20	12
13	1287	772.20	13
14	2002	1201.20	14
15	3003	1801.80	15
16	4368	2620.80	16
17	6188	3712.80	17
18	8568	5140.80	18
19	11628	6976.80	19
20	15504	9302.40	20

(m) The Subscriptions for a Systems Entry in respect of an Entry made pursuant to Rule 9(c)(ii) are:

System Number	Equivalent Number of Standard Panels entered	Subscription Per Panel \$	Number of Bounded Areas to be marked in each upper Panel
6	270	162.00	6
7	945	567.00	7
8	2520	1512.00	8
9	5670	3402.00	9
10	11340	6804.00	10
11	20790	12474.00	11
12	35640	21384.00	12
13	57915	34749.00	13
14	90090	54054.00	14
15	135135	81081.00	15
16	196560	117936.00	16
17	278460	167076.00	17
18	385560	231336.00	18
19	523260	313956.00	19
20	697680	418608.00	20

**RULE 10    MULTI-WEEK ENTRY**

- (a) A Multi-Week Entry allows a Multi-Draw Entry to be made in any of the consecutive Games of Powerball prescribed in Rule 10(g).
- (b) Subject to Rule 10(c), 10(d), 10(e) and 10(f), either a Standard Entry or Systems Entry shall be selected.
- (c) Except for the provisions of Rule 8(b)(ii), Rule 8 shall apply where a Standard Entry is selected on a Multi-Week Entry.
- (d) Except for the provisions of Rule 9(c)(ii), Rule 9 shall apply where a Systems Entry is selected on a Multi-Week Entry.
- (e) For a Multi-Draw Entry made pursuant to Rule 8(b)(ii), Rule 8 shall apply except that a maximum of one (1) Game Panel may be completed;
- (f) For a Multi-Draw Entry made pursuant to Rule 9(c)(ii), Rule 9 shall apply except that a maximum of one (1) Game Panel may be completed.
- (g) A Multi-Week Entry may be made in respect of two (2), five (5), ten (10), or twenty-five (25) consecutive Games of Powerball.
- (h) The number of consecutive Games of Powerball for which the Multi-Week Entry is entered shall be selected by Marking the appropriate Bounded Area.
- (i) If a Entry Form is forwarded to the Licensee by post with no Bounded Area Marked in accordance with Rule 10(h), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selection thereon in such manner having regard to such factors as the Chief Executive Officer deems appropriate.
- (j) Subscriptions for a Multi-Week Entry are the total of Subscriptions that would have been payable for an Entry submitted in a Game of Powerball multiplied by the number of consecutive Games of Powerball in which the Entry is entered under Rules 10(h) or 10(i).

#### **RULE 11      SUBMISSION OF ENTRY FORMS**

- (a) The Licensee may impose a registration fee payable by a Player or a Syndicate Player for the provision by the Licensee of the player registration service. Application will be by way of an application form as approved by Chief Executive Officer.
- (b) A person under the age of eighteen (18) years shall not enter a Game of Powerball or a Game of Promotional Powerball.
- (c) An Entry Form may only be submitted through:
  - (i) an Agent; or
  - (ii) a Direct Mail Agent; or
  - (iii) except as provided in Rule 19 (h), by post in accordance with paragraphs (i), (l) and (m) of this Rule provided that the Player is a Registered Player or becomes a Registered Player as a result of that entry.
- (d) An Entry Form or any other form of Entry or Syndicate Entry in respect of a Game of Powerball submitted to an Agent or a Direct Mail Agent or the Licensee by a Player or Syndicate Player must be accompanied by the correct Fee or Syndicate Share Fee and player registration fee (if applicable).

- (e) The form of payment of the Fee or Syndicate Share Fee or player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (f)
- (i) If anonymity is desired the Player or Syndicate Player should clearly so indicate on the appropriate Prize claim form or indicate same when completing application to become a Registered Player or Registered Syndicate Player. Players or Syndicate Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's or Syndicate Player's name and address pursuant to the provisions of Rule 13(b)(iii) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.
- (ii) All correspondence to the Chief Executive Officer in accordance with Rule 11(f)(i) should be addressed:-
- The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127
- or such other address as may be publicly notified from time to time by the Chief Executive Officer.
- (g) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player in respect of an Entry, or the Syndicate Player in respect of a Syndicate Entry.
- (h) Where a Player submits an Entry Form or other form of Entry, or in the case of a Syndicate Entry, where a Syndicate Player purchases a Syndicate Entry Share, as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player or Syndicate Player.
- (i) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the Drawing relating to that Entry or Syndicate Entry. For the purposes of this paragraph an Entry or Syndicate Entry will be taken to be received when details thereof have been recorded on the central processing computer equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.
- (j) Other than as provided for in Rules 6(f), 19(e) and 19(f), no Ticket may be withdrawn or altered after issue to a Player or Syndicate Player without the consent of the Licensee.
- (k) A Player may post an Entry Form to the Licensee at the following address:
- The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127
- or such other address as may be publicly notified from time to time by the Chief Executive Officer.
- (l) An Entry Form sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said form will be entered by the Licensee in the Drawing for which it has been received in time to be

processed. The Licensee will process the form and post it and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (m) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.
- (n) Form of entry in a Game of Promotional Powerball
- (i) The Chief Executive Officer is to approve the form of entry for a Game of Promotional Powerball;
- (ii) Without limiting Rule 11 (n)(i), the form of entry in a Game of Promotional Powerball may be any of the following (or combination of the following):
- (1) part of a Ticket
  - (2) any other ticket or document;
  - (3) entries made by means of an electronic or mechanical device or by telecommunications system.
- (iii) If any entry in a Game of Promotional Powerball is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Game of Promotional Powerball:
- (1) constitutes the Player's or Syndicate Player's official receipt;
  - (2) is, following its acceptance, to constitute the Player's or Syndicate Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
  - (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Game of Promotional Powerball.

## **RULE 12     DETERMINATION OF PRIZES**

- (a) Prizes for each Game of Powerball shall be paid by the Licensee from the Prize Pool in the percentage specified in this Rule and shall be classified as Division 1, Division 2, Division 3, Division 4, Division 5, Division 6 and Division 7 Prizes.
- (b) Any such Prize shall, where only one (1) Entry or Syndicate Entry is eligible for that Prize, be payable in respect of that Entry or Syndicate Entry, or shall, where two (2) or more Entries and/or Syndicate Entries are eligible for that Prize, be shared equally between those Entries and/or Syndicate Entries.
- (c) Where a Syndicate Entry is eligible for a Prize, such Prize shall be divided by the number of Syndicate Entry Shares in the Syndicate Entry to determine the amount payable in respect of each Syndicate Entry Share.
- (d) Subject to Rule 12(c), the amount payable in respect of a Syndicate Entry Share shall be

rounded up to the nearest 5 cents. Monies required for rounding up shall be drawn from the Prize Reserve Fund.

- (e) Unless otherwise Approved, the Prize Pool will be distributed in the following indicative percentages that may be varied up or down by the Licensee by a maximum of five (5) percentage points provided the resultant allocation is no lower than half the indicative percentage specified. The Prize Pool distribution for other than the Division 1 Prize Pool shall be subject to a rounding off process (which shall be to the nearest sum containing a five (5) cent multiple). Monies required for rounding up shall be drawn from the Division 1 Prize Pool. Where a rounding down process has occurred, the excess monies shall be paid into the Division 1 Prize Pool.

Division 1 -

- (i) A Prize of an amount equal to 40.0% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers from the first barrel plus the Powerball Number from the Powerball barrel.
- (ii) If no Prize in this Division is payable in respect of any Entry or Syndicate Entry, an amount equal to 40.0% shall be retained in the Prize Fund so as to form part of the monies payable in respect of any Entry or Syndicate Entry which, shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers from the first barrel plus the Powerball Number in the Jackpot Competition; provided that no such additional jackpotting shall be effected for more than twenty four consecutive games of the same type, so that if no Division 1 Prize is payable in respect of any Entry or Syndicate Entry in twenty four consecutive games of that type and there is no such Prize is payable in respect of any Entry or Syndicate Entry in the next (or 25th) consecutive game of that type, then the total Prize money of such additions or jackpot, when added to the Division 1 Prize payable in respect of such 25th game, shall be added to the Prize money allocated to the next lower division in which a Prize is payable in respect of an Entry or Syndicate Entry or Entries or Syndicate Entries.

Division 2 -

A Prize of an amount equal to 12.9% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains the five (5) Winning Numbers from the first barrel.

Division 3 -

A Prize of an amount equal to 5.9% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but no more than four (4) of the five (5) Winning Numbers from the first barrel plus the Powerball Number from the Powerball Barrel.

Division 4 -

A Prize of an amount equal to 4.6% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but not more than three (3) of the five (5) Winning Numbers from the first barrel plus the Powerball Number from the Powerball Barrel.

## Division 5 -

A Prize of an amount equal to 2.6% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but not more than four (4) of the Five (5) Winning Numbers from the first barrel.

## Division 6 -

A Prize of an amount equal to 11.7% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains two (2) but not more than two (2) of the five (5) Winning Numbers from the first barrel plus the Powerball Number from the Powerball barrel.

## Division 7 -

A Prize of an amount equal to 22.3% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but not more than three (3) of the five (5) Winning Numbers from the first barrel.

## (f) Second Drawing

The Licensee may, subject to the Approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Game of Powerball following the Powerball Draw, provided that:

- (i) the Second Drawing shall be conducted following the Drawing of the Powerball Game;
  - (ii) an Entry or Syndicate Entry in respect of a Game of Powerball shall be automatically entered into the Second Drawing in respect of a Game of Powerball and such entry shall not require the payment of any further Subscription;
  - (iii) the Prize or Prizes payable in relation to the Second Drawing shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers from the first barrel plus the Powerball Number from the Powerball barrel;
  - (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
  - (v) the Second Drawing shall not constitute a separate Game of Powerball but shall be part of the normal weekly Game of Powerball.
- (g) A Game of Powerball may include an additional Prize or Prizes paid on special occasions or pursuant to Rule 12(f) (as approved by the Minister from time to time). Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.
- (h) Prizes in a Game of Promotional Powerball
- (i) The Prizes payable in a Game of Promotional Powerball may consist of one or



more of the following:

- (1) money;
- (2) holidays;
- (3) travel;
- (4) accommodation;
- (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
- (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.

(ii) A Prize in a Game of Promotional Powerball must not consist of or include tobacco.

(iii) A Prize in a Game of Promotional Powerball must not consist of or include liquor within the meaning of the Liquor Act 1982.

(i) Determination of Prizes in a Game of Promotional Powerball

(i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Game of Promotional Powerball.

(ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Game of Promotional Powerball conducted by it.

(iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Game of Promotional Powerball, including (but not limited to) the following:

- (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
- (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
- (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
- (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
- (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.

(iv) The Prizes in a Game of Promotional Powerball are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Game of Promotional Powerball.

**RULE 13 ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE-WINNERS**

(a) Following each Drawing of a Game of Powerball the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible



- after, and in respect of, that Drawing:
- (i) the Winning Numbers and the Powerball Number
  - (ii) the amount of the Prize Pool allocated to each Division;
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners; and
  - (iv) the value of Prizes and the number of Prize-winners in respect of Division 2, Division 3, Division 4, Division 5, Division 6 and Division 7.
- (b) Following each Drawing of a Game of Powerball the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 11 (g)(i) or where Provisional Prize Winners are not Registered Players or Registered Syndicate Players;
  - (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 14(a), 14(b), 14(i) and 14(k) must be made.
- (c) Where appropriate the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Game of Promotional Powerball as soon as possible after the completion of such Game of Promotional Powerball.
- (d) The Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Second Drawing as soon as possible after the completion of that Second Drawing.

**RULE 14 PROCEDURES FOR CLAIMING AND PAYMENT OF PROVISIONAL PRIZES AND PRIZES**

In relation to a Game of Powerball:

- (a)
- (i) Other than as provided for Registered Players and Registered Syndicate Players, any Provisional Prize (or in the case of a Syndicate Entry, a share of any Provisional Prize) must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with Rule 14 (a) (i) is the day of receipt by the Licensee.
- (b) A Registered Player winning a Provisional Prize (or in the case of a Syndicate Entry, a Registered Syndicate Player winning a share of a Provisional Prize) which exceeds \$10,000 will be notified personally or by mail within five (5) calendar days after the Drawing Date. In respect of any Provisional Prize won by a Registered Player (or in the case of a Syndicate Entry, any share of a Provisional Prize won by a Registered Syndicate Player) the Chief Executive Officer may require that Registered Player or Registered Syndicate Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) hereof;

- (c) Where a Registered Player or Registered Syndicate Player has been requested to claim the Provisional Prize in accordance with Rule 14(b) the Prize may be paid in accordance with the procedure and conditions set out in Rule 14(d) hereof;
- (d) A Provisional Prize or Share of a Provisional Prize shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer;
- (e) For Registered Players, any Prize (or in the case of a Registered Syndicate Player, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal not earlier than the day immediately after, and not later than eight (8) weeks after, the relevant Drawing Date. Prizes not so claimed will be paid by the Licensee by cheque or at the discretion of the Licensee by electronic funds transfer after the expiry of eight (8) weeks after the Drawing Date; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted therefrom;
- (f) For a Player or Syndicate Player who is not a Registered Player or Registered Syndicate Player, any Prize (or in the case of a Syndicate Entry, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player or Syndicate Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period of not less than eight (8) weeks;
- (g) Subject to Rules 14(a), 14(b), 14(c), 14(d) and 14(e) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings;
- (h) A Prize or, in the case of a Syndicate Entry, a share in a Prize not paid by an Agent in accordance with Rule 14 (f) will be paid by the Licensee by cheque, or at the discretion of the Licensee, by electronic funds transfer upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require. A sum representing the cost of processing as approved by the Chief Executive Officer will be deducted from the Prize or share of a Prize so paid;
- (i) A:
- (i) Registered Player or Registered Syndicate Player who claims to be entitled to a Provisional Prize, (or in the case of a Syndicate Entry a share in a Provisional Prize) pursuant to Rule 14 (b) and who has not been notified within five (5) days in accordance with Rule 14 (b) and/or whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal; or
- (ii) Player or Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share in a Provisional Prize) and whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal;

must claim by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 14 (l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after the Drawing Date starting on the day immediately following the Drawing Date.

A claim not received in accordance with this Rule 14 (i) will be rejected and the Licensee shall have no liability in relation thereto.

- (j) The Entry or Syndicate Entry subject of a claim for a Provisional Prize made in accordance with Rule 14(i) shall be entitled to that Provisional Prize if it is found by the Licensee to be a winning Entry or winning Syndicate Entry before the expiry of the Provisional Period, and in such case the Provisional Prize amount shall be varied to take into account the new Provisional Prize Winner;
- (k) A:
- (i) Player or Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
  - (ii) Registered Player or Registered Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal and/or where the Prize has not been paid in accordance with Rule 14 (e);
- must lodge a Prize claim form containing or accompanied by the particulars set out in Rule 14 (l);
- (l) The particulars required in accordance with the provisions of Rules 14 (a), 14 (b), 14(i) and 14 (k) are:
- (i) the name and address of the Player or Syndicate Player;
  - (ii) the Ticket Serial Number;
  - (iii) the Numbers included on the relevant numbered line on the Ticket;
  - (iv) the Player's or Syndicate Player's registration number if a Registered Player or Registered Syndicate Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires;
- (m) Notwithstanding the provisions of this Rule 14, if an Entry or Syndicate Entry which would otherwise have been entitled to a Prize or share of a Prize not exceeding \$1000.00 is discovered after payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player or Syndicate Player the same Prize or Share of a Prize as is being paid to winning Players or winning Syndicate Players or such other Prize amount or share of a Prize amount as determined by the Chief Executive Officer;
- (n) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize (or in the case of a Syndicate Entry a share of a Prize or of a Provisional Prize) to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is the Player entitled to that Prize or Provisional Prize (or, in the case of a Syndicate Entry, is the Syndicate Player entitled to a share of that Prize or Provisional Prize). Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player or Syndicate Player may fail to meet some or all of the elements (1) or (2) contained in Rules 1(xxxviii) or 1(iv) or may fail to meet some or all of the provisions contained in these Rules governing Prize entitlement.
- (o) All cheques will be crossed and marked "Not Negotiable" and will be drawn in favour of

the Player or Syndicate Player in accordance with these Rules;

- (p) Subject to Rule 14 (i), at any time before the payment of Prizes the Chief Executive Officer may correct an error made in determining the number of Entries or Syndicate Entries entitled thereto or the amount thereof;
- (q) The payment of a Prize or share of a Prize to any Player or Syndicate Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;
- (r) Subject to section 27 of the Act, all unclaimed or uncollected Prizes or shares of Prizes shall be retained in the Prize Fund for payment to the Players or Syndicate Players entitled thereto;
- (s) Remittances for payments of Prizes or shares of Prizes may include all Prizes or shares of Prizes won on the same Ticket;
- (t) Where payment by the Licensee of a Prize or share of a Prize is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
- (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player or Syndicate Player;
- (u) Where payment of a Prize or share of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player or Registered Syndicate Player, to the name and address appearing on the Licensee's records relating to that Player or Syndicate Player.
- Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same;
- (v) Any Prize or share of a Prize sent by the Licensee to a Player or Syndicate Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player or Syndicate Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability;
- (w) The payment of all Prizes or shares of Prizes pursuant to this Rule 14 will discharge the Licensee from liability notwithstanding the existence of any trust, whether express, constructive or implied. Where the Licensee has paid a Player or Syndicate Player pursuant to this Rule 14 and the Chief Executive Officer is, after such payment has been made, of the view that the Player or Syndicate Player was not the Player or Syndicate Player to whom such payment should have been made the Player or Syndicate Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her;
- (x) A Prize or share of a Prize may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize or a share of a Prize may be forwarded by an Agent to the Licensee at the request of a Player or the Player may forward the Prize claim form to the Licensee direct.

- (y) Any Prize or share of a Prize to be paid in accordance with Rule 12 (d) or Rule 12 (f) shall be forwarded to the winner thereof in such manner as the Chief Executive Officer may, in the Chief Executive's sole discretion, direct.
- (z) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (aa) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (ab) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.
- (ac) Payment of Prizes in a Game of Promotional Powerball
  - (i) A Prize is not payable in a Game of Promotional Powerball unless:
    - (1) the entry submitted in a Game of Promotional Powerball is in the form determined by the Chief Executive Officer under Rule 11(n)(i); and
    - (2) if the form of entry requires the Player or Syndicate Player to have purchased a Ticket in a Game of Powerball, the Ticket in the Game of Powerball must satisfy any test used by Chief Executive Officer to determine whether the Ticket in the Game of Powerball is valid,

and the claimant has complied with all conditions relating to the Game of Promotional Powerball advertised under Rule 12(i)(ii).
  - (ii) The Licensee may record on an entry in a Game of Promotional Powerball a verification code or other test and use it to determine whether the entry in a Game of Promotional Powerball is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Game of Promotional Powerball, on which such a test is recorded, if the entry does not satisfy the test.

## **RULE 15     DISQUALIFICATIONS**

- (a) Notwithstanding that:
  - (i) a Ticket may have issued; or
  - (ii) a Drawing has occurred in respect of a Ticket

an Entry or a Syndicate Entry Share in a Game of Powerball or entry in a Game of Promotional Powerball may be disqualified and no Prize claim shall be made in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified. Any Ticket having issued in respect of an Entry or a Syndicate Entry Share in a Game of Powerball which is disqualified shall automatically be void and cancelled.
- (b) The reason for disqualification may include but are not limited to:
  - (i) tender of insufficient Fee or, in the case of a Syndicate Entry Share, insufficient Syndicate Share Fee, a dishonoured cheque or if the form of remittance is not

- acceptable;
- (ii) the Player or Syndicate Player had defaulted in payment of any previous Fee or Syndicate Share Fee;
  - (iii) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
  - (iv) Ticket fails any security tests of the Licensee;
  - (v) reasonable suspicion of unauthorised use of a Computer Linked Terminal;
  - (vi) a Malfunction occurring in respect of the Computer Linked Terminal or the Licensee's central processing computer equipment; or
  - (vii) any other breach of these Rules which justifies disqualification.
- (c) The Licensee shall use its best endeavours to notify a Player or Syndicate Player, whose name and address is known to the Licensee, that an Entry or Syndicate Entry Share has been disqualified and the reason therefore and the Licensee shall in respect thereof refund to the Player any Subscription paid or to the Syndicate Player any Syndicate Share Fee paid less that part of the Syndicate Share Fee that represents the relevant proportion of Commission. Where the Licensee does not know of the name and address of a Player or Syndicate Player the Licensee shall publicise, in a matter determined by the Chief Executive Officer, the disqualification of such Entry or Syndicate Entry Share.

#### **RULE 16      LIMITATION OF LIABILITY**

- (a) By entering a Game of Powerball or a Game of Promotional Powerball a Player or Syndicate Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or Syndicate Player or any other person by reason of the loss or destruction of a Ticket or a ticket in a Game of Promotional Powerball for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription (or in the case of a Syndicate Entry that part of the Syndicate Share Fee that represents the relevant proportion of Subscription) paid in respect of that Ticket.
- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize or Syndicate Player who claims a share of a Prize and is unable to submit a Ticket or a ticket in a Game of Promotional Powerball. The Licensee shall have discharged all liability in relation to payment of a Prize or share of a Prize by making payment to a person in accordance with Rule 14.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee or contractor of the Licensee shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Powerball or Game of Promotional Powerball; and
  - (ii) without prejudice to the generality of Rule 16(d)(i) hereof, any negligence,



omission, delay or failure in relation to:

- (1) the payment of a Prize or share of a Prize;
  - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
  - (3) the processing of a Ticket that has won a Prize or share of a Prize;
  - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of Powerball or entry in a game of Game of Promotional Powerball received by way of Entry Form or Automatic Entry;
  - (5) the receipt and processing of a Prize claim form; or
  - (6) the cancellation of a Ticket; and
- (iii) without prejudice to the generality of Rule 16(d)(i) and Rule 16(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
- (1) the processing of an Entry Form;
  - (2) the issue of a Ticket;
  - (3) the completion of a Prize claim form;
  - (4) the receipt of a Prize claim form;
  - (5) the processing of a Prize claim;
  - (6) the payment of a Prize;
  - (7) the cancellation of a Ticket; and
- (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Powerball or Game of Promotional Powerball; and
  - (ii) without prejudice to the generality of Rule 16(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize; or
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of

Powerball or entry in any particular Game of Promotional Powerball received by way of Entry Form or Automatic Entry .

- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or Syndicate Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Game of Powerball or Game of Promotional Powerball due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the acceptance and processing of any Entry Form or Automatic Entry instructions culminating in the issue of a Ticket or a ticket in a Game of Promotional Powerball, an Agent shall for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
- (j) Notwithstanding the provisions of Rule 16 (h), in the acceptance of Commission by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent in respect of an Entry shall for this purpose be the agent of the Licensee and not the agent of the Player and in the acceptance by an Agent of that part of the Syndicate Share Fee that represents the relevant proportion of Commission in respect of a Syndicate Entry the agent shall for this purpose be the agent of the Licensee and not the agent of the Syndicate Player.
- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 16(a) to 16(j) inclusive as those protected by said Rules.

#### **RULE 17**

- (a) The Powerball Rules made pursuant to the New South Wales Lotteries (General) Regulation 1995 and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer entries made pursuant to Rules previously in force under any earlier Licence and which relate to a Drawing or Drawings to be conducted on or after the date these Rules take effect shall be taken to be submitted as entries in such Drawing or Drawings pursuant to those previous Rules.

#### **RULE 18            AGREEMENTS RELATING TO GAME OF PROMOTIONAL POWERBALL**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Game of Promotional Powerball.



**RULE 19 SYNDICATES**

- (a) An Entry as specified in column 1 of Schedule 3 shall be a Syndicate entry if specified in, respectively:
- (i) column 3 of Schedule 3;
- (b) A Syndicate Entry may be divided into Syndicate Entry Shares as shown in:
- (i) column 4 of Schedule 3;
- (c) The Syndicate Share Fee for each Syndicate Entry Share shall be the amount specified in, respectively:
- (i) column 5 of Schedule 3;
- (d) The Syndicate Player must pay the Syndicate Share Fee in respect of each Syndicate Entry Share purchased by the Syndicate Player.
- (e) Before the Agent sells a Syndicate Entry Share in a Syndicate Entry the Agent must by means of the Computer Linked Terminal direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the Syndicate Entry nominated by the Agent.
- (f) An Agent who has directed the Licensee's central processing computer equipment pursuant to rule 19(e) may also direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the nominated Syndicate Entry which sale may be effected by the Agent and also by other Agents nominated by the Agent.
- (g) Where no Syndicate Entry Share has been sold in a Syndicate Entry in respect of which the Agent has made a direction in accordance with Rule 19(e) that Syndicate Entry:
- (i) is not eligible to be entered into a Game of Powerball;
  - (ii) shall not be included in a Drawing; and
  - (iii) is not entitled to receive any Prize.
- (h) For the sake of clarity, no person or other legal entity is entitled to receive a Prize in the event of the occurrence of the circumstances specified in Rule 19(g).
- (i) Where at least one (1) but not all Syndicate Entry Shares have been sold in respect of a Syndicate Entry before the Drawing of the Game of Powerball into which the Syndicate Entry is entered the Agent responsible for directing the central processing computer equipment pursuant to Rule 19(e) in respect of that Syndicate Entry shall be solely liable for and shall pay to the Licensee all Syndicate Entry Share Fees which have not been paid in respect of the unsold Syndicate Entry Shares in the Syndicate Entry and in such case, for the purposes of these Rules, and in relation to such unsold Syndicate Entry Share or Shares, the Agent shall be considered to be the Syndicate Player. In these circumstances the Syndicate Entry shall be:
- (i) eligible to be entered into the Game of Powerball;
  - (ii) be included in the Drawing; and
  - (iii) be entitled to receive any Prize.

- (j) The Licensee may pay a fee or reward to its Agents for the promotion of any Syndicate Entry or sale of any Syndicate Entry Shares other than the Syndicate Share Fee.
- (k) Upon payment of the Syndicate Share Fee in respect of a Syndicate Entry Share a Syndicate Player shall be entitled to receive a Ticket.
- (l) Each Syndicate Entry Share shall have the same Numbers as the Syndicate Entry nominated by the Agent pursuant to Rule 19(e).
- (m) An Agent may cancel a Ticket in respect of a Syndicate Entry Share sold by the Agent provided such cancellation takes place on the day the Syndicate Entry Share was purchased and prior to the Drawing, and provided at least one (1) Syndicate Entry Share remains unsold in respect of the relevant Syndicate Entry. (review with Rule 6(g))
- (n) A Syndicate Entry Share may not be purchased by post from the Licensee.

### SCHEDULE 1

#### **COMMISSION PAYABLE FOR POWERBALL WITH ONE (1) POWERBALL NUMBER**

##### **PURSUANT TO RULE 7 WITH ONE (1) POWERBALL NUMBER**

<b>Entry Type</b>	<b>No. of Games</b>	<b>Single Entry</b>
Standard	2 Games	\$0.10
	4 Games	\$0.15
	6 Games	\$0.30
	8 Games	\$0.40
	10 Games	\$0.45
	12 Games	\$0.55
	14 Games	\$0.60
	16 Games	\$0.70
	18 Games	\$0.75
	24 Games	\$1.00
	30 Games	\$1.30
36 Games	\$1.50	
<b>Entry Type</b>	<b>System</b>	<b>Single Entry</b>
System – Per Panel	6	\$0.25
	7	\$0.75
	8	\$1.65
	9	\$3.70
	10	\$7.80
	11	\$13.80
	12	\$24.80
	13	\$40.80
14	\$59.80	

	15	\$90.20
	16	\$130.20
	17	\$186.20
	18	\$257.20
	19	\$349.20
	20	\$467.60
<b>Entry Type</b>	<b>2 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	2 Games	\$0.20
	4 Games	\$0.20
	6 Games	\$0.45
	8 Games	\$0.45
	10 Games	\$0.55
	12 Games	\$0.65
	14 Games	\$0.70
	16 Games	\$0.85
	18 Games	\$0.85
	24 Games	\$1.30
	30 Games	\$2.00
	36 Games	\$2.20

<b>Entry Type</b>	<b>5 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	2 Games	\$0.40
	4 Games	\$0.55
	6 Games	\$0.75
	8 Games	\$0.75
	10 Games	\$0.85
	12 Games	\$1.10
	14 Games	\$1.10
	16 Games	\$1.30
	18 Games	\$1.50
	24 Games	\$1.90
	30 Games	\$2.50
	36 games	\$2.70
<b>Entry Type</b>	<b>10 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	2 Games	\$0.75
	4 Games	\$0.75
	6 Games	\$1.20
	8 Games	\$1.20
	10 Games	\$1.50
	12 Games	\$1.75
	14 Games	\$1.90
	16 Games	\$2.40
	18 Games	\$2.90
	24 Games	\$3.70
	30 Games	\$4.60
	36 Games	\$5.00
<b>Entry Type</b>	<b>25 Week Period</b>	<b>Single Entry</b>

Multi-Week Standard	2 Games	\$1.75
	4 Games	\$1.75
	6 Games	\$2.40
	8 Games	\$2.40
	10 Games	\$3.20
	12 Games	\$3.70
	14 Games	\$4.70
	16 Games	\$5.90
	18 Games	\$7.00
	24 Games	\$11.90
	30 Games	\$18.00
	36 Games	\$19.50

Entry Type	Period	Single Entry
System 6 – Per Panel	2 Weeks	\$0.45
	5 Weeks	\$0.70
	10 Weeks	\$1.10
	25 Weeks	\$2.40
System 7 – Per Panel	2 Weeks	\$1.20
	5 Weeks	\$1.75
	10 Weeks	\$2.40
	25 Weeks	\$6.30
System 8 – Per Panel	2 Weeks	\$2.40
	5 Weeks	\$3.00
	10 Weeks	\$5.40
	25 Weeks	\$15.00
System 9 – Per Panel	2 Weeks	\$4.30
	5 Weeks	\$5.40
	10 Weeks	\$11.00
	25 Weeks	\$20.50
System 10 – Per Panel	2 Weeks	\$8.50
	5 Weeks	\$10.80
	10 Weeks	\$20.60
	25 Weeks	\$32.40
System 11 – Per Panel	2 Weeks	\$14.50
	5 Weeks	\$15.50
	10 Weeks	\$27.00
	25 Weeks	\$41.00
System 12 – Per Panel	2 Weeks	\$26.00
	5 Weeks	\$28.00
	10 Weeks	\$46.00
	25 Weeks	\$69.00

System 13 – Per Panel	2 Weeks	\$44.00
	5 Weeks	\$64.00
	10 Weeks	\$74.00
	25 Weeks	\$110.00
System 14 – Per Panel	2 Weeks	\$65.00
	5 Weeks	\$80.00
	10 Weeks	\$114.00
	25 Weeks	\$170.00
System 15 – Per Panel	2 Weeks	\$110.00
	5 Weeks	\$130.00
	10 Weeks	\$170.00
	25 Weeks	\$255.00
System 16 – Per Panel	2 Weeks	\$145.00
	5 Weeks	\$175.00
	10 Weeks	\$247.00
	25 Weeks	\$371.00
System 17 – Per Panel	2 Weeks	\$220.00
	5 Weeks	\$280.00
	10 Weeks	\$345.00
	25 Weeks	\$515.00
System 18 – Per Panel	2 Weeks	\$270.00
	5 Weeks	\$320.00
	10 Weeks	\$473.00
	25 Weeks	\$710.00
System 19 – Per Panel	2 Weeks	\$375.00
	5 Weeks	\$400.00
	10 Weeks	\$640.00
	25 Weeks	\$950.00
System 20 – Per Panel	2 Weeks	\$500.00
	5 Weeks	\$540.00
	10 Weeks	\$835.00
	25 Weeks	\$1250.00

**SCHEDULE 2****COMMISSION****PURSUANT TO RULE 7 WITH FORTY FIVE (45) POWERBALL NUMBERS**

<b>Entry Type</b>	<b>No. of Panels</b>	<b>Single Entry</b>
Standard – Per Panel	1 to 12 Panels	\$1.65
System – Per Panel	6	\$8.10
	7	\$28.00
	8	\$75.50
	9	\$171.00
	10	\$340.00
	11	\$624.00
	12	\$1071.00
	13	\$1737.00
	14	\$2702.70
	15	\$4054.05
	16	\$5896.80
	17	\$8353.80
	18	\$11566.80
	19	\$15697.80
	20	\$20930.40
Multi-Week Standard	2 Weeks	\$1.80
	5 Weeks	\$2.65
	10 Weeks	\$5.40
	25 Weeks	\$13.50
System 6 – Per Panel	2 Weeks	\$9.00
	5 Weeks	\$13.50
	10 Weeks	\$27.10
	25 Weeks	\$67.00
System 7 – Per Panel	2 Weeks	\$36.00
	5 Weeks	\$44.00
	10 Weeks	\$54.00
	25 Weeks	\$135.00
System 8 – Per Panel	2 Weeks	\$85.00
	5 Weeks	\$100.00
	10 Weeks	\$160.00
	25 Weeks	\$270.00
System 9 – Per Panel	2 Weeks	\$200.00
	5 Weeks	\$250.00
	10 Weeks	\$350.00
	25 Weeks	\$880.00
System 10 – Per Panel	2 Weeks	\$380.00

	5 Weeks	\$430.00
	10 Weeks	\$645.00
	25 Weeks	\$990.00
System 11 – Per Panel	2 Weeks	\$700.00
	5 Weeks	\$760.00
	10 Weeks	\$840.00
	25 Weeks	\$1200.00
System 12 – Per Panel	2 Weeks	\$1200.00
	5 Weeks	\$1330.00
	10 Weeks	\$1460.00
	25 Weeks	\$2200.00
System 13 – Per Panel	2 Weeks	\$1800.00
	5 Weeks	\$2000.00
	10 Weeks	\$2100.00
	25 Weeks	\$2270.00
System 14 – Per Panel	2 Weeks	\$3000.00
	5 Weeks	\$4000.00
	10 Weeks	\$5000.00
	25 Weeks	\$6000.00
System 15 – Per Panel	2 Weeks	\$5000.00
	5 Weeks	\$6000.00
	10 Weeks	\$7000.00
	25 Weeks	\$8000.00
System 16 – Per Panel	2 Weeks	\$7000.00
	5 Weeks	\$8000.00
	10 Weeks	\$9000.00
	25 Weeks	\$10000.00
System 17 – Per Panel	2 Weeks	\$10000.00
	5 Weeks	\$11000.00
	10 Weeks	\$12000.00
	25 Weeks	\$13000.00
System 18 – Per Panel	2 Weeks	\$13000.00
	5 Weeks	\$14000.00
	10 Weeks	\$15000.00
	25 Weeks	\$16000.00
System 19 – Per Panel	2 Weeks	\$17000.00
	5 Weeks	\$18000.00
	10 Weeks	\$19000.00
	25 Weeks	\$20000.00
System 20 – Per Panel	2 Weeks	\$22000.00
	5 Weeks	\$23000.00

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	10 Weeks	\$24000.00
	25 Weeks	\$25000.00



## SCHEDULE 3

## Syndicate Entries FOR POWERBALL (one powerball)

Column 1 ENTRY	Column 2 ENTRY FEE	Column 3 SYNDICATE ENTRY	Column 4 SYNDICATE ENTRY SHARE	Column 5 SYNDICATE SHARE FEE PER PANEL (Cost per Share)
System 10	\$159.00	System 10	5	\$31.80
System 10	\$159.00	System 10	10	\$15.90
System 10	\$159.00	System 10	15	\$10.60
System 10	\$159.00	System 10	20	\$7.95
System 11	\$291.00	System 11	5	\$58.20
System 11	\$291.00	System 11	10	\$29.10
System 11	\$291.00	System 11	15	\$19.40
System 11	\$291.00	System 11	30	\$9.70
System 12	\$500.00	System 12	5	\$100.00
System 12	\$500.00	System 12	10	\$50.00
System 12	\$500.00	System 12	20	\$25.00
System 12	\$500.00	System 12	40	\$12.50
System 13	\$813.00	System 13	5	\$162.60
System 13	\$813.00	System 13	10	\$81.30
System 13	\$813.00	System 13	30	\$27.10
System 13	\$813.00	System 13	60	\$13.55
System 14	\$1261.00	System 14	5	\$252.20
System 14	\$1261.00	System 14	10	\$126.10
System 14	\$1261.00	System 14	20	\$63.05
System 14	\$1261.00	System 14	65	\$19.40
System 14	\$1261.00	System 14	130	\$9.70
System 15	\$1892.00	System 15	5	\$378.40
System 15	\$1892.00	System 15	10	\$189.20
System 15	\$1892.00	System 15	20	\$94.60
System 15	\$1892.00	System 15	44	\$43.00
System 16	\$2751.00	System 16	5	\$550.20
System 16	\$2751.00	System 16	10	\$275.10
System 16	\$2751.00	System16	20	\$137.55
System 16	\$2751.00	System 16	60	\$45.85
System 16	\$2751.00	System 16	70	\$39.30
System 17	\$3899.00	System 17	5	\$779.80
System 17	\$3899.00	System 17	10	\$389.90
System 17	\$3899.00	System 17	14	\$278.50
System 17	\$3899.00	System 17	20	\$194.95
System 17	\$3899.00	System 17	70	\$55.70
System 17	\$3899.00	System 17	140	\$27.85
System 18	\$5398.00	System 18	5	\$1079.60
System 18	\$5398.00	System 18	10	\$539.80
System 18	\$5398.00	System 18	20	\$269.90
System 18	\$5398.00	System 18	40	\$134.95
System 19	\$7326.00	System 19	5	\$1465.20
System 19	\$7326.00	System 19	10	\$732.60
System 19	\$7326.00	System 19	24	\$305.25
System 19	\$7326.00	System 19	40	\$183.15
System 19	\$7326.00	System 19	60	\$122.10
System 19	\$7326.00	System 19	74	\$99.00

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System 20	\$9770.00	System 20	5	\$1954.00
System 20	\$9770.00	System 20	10	\$977.00
System 20	\$9770.00	System 20	20	\$488.50
System 20	\$9770.00	System 20	40	\$244.25
System 20	\$9770.00	System 20	100	\$97.70

**POWERBALL (45 POWERBALL)**

<b>ENTRY</b>	<b>ENTRY FEE</b>	<b>SYNDICATE ENTRY</b>	<b>SYNDICATE ENTRY SHARE</b>	<b>SYNDICATE SHARE FEE PER PANEL (Cost per Share)</b>
System 6	\$170.10	System 6	6	\$28.35
System 6	\$170.10	System 6	18	\$9.45
System 6	\$170.10	System 6	27	\$6.30
System 7	\$595.00	System 7	5	\$119.00
System 7	\$595.00	System 7	10	\$59.50
System 7	\$595.00	System 7	20	\$29.75
System 7	\$595.00	System 7	28	\$21.25
System 7	\$595.00	System 7	50	\$11.90
System 8	\$1587.50	System 8	5	\$317.50
System 8	\$1587.50	System 8	10	\$158.75
System 8	\$1587.50	System 8	25	\$63.50
System 8	\$1587.50	System 8	50	\$31.75
System 9	\$3573.00	System 9	5	\$714.60
System 9	\$3573.00	System 9	10	\$357.30
System 9	\$3573.00	System 9	20	\$178.65
System 9	\$3573.00	System 9	30	\$119.10
System 9	\$3573.00	System 9	60	\$59.55
System 9	\$3573.00	System 9	90	\$39.70
System 10	\$7144.00	System 10	5	\$1428.80
System 10	\$7144.00	System 10	10	\$714.40
System 10	\$7144.00	System 10	20	\$357.20
System 10	\$7144.00	System 10	40	\$178.60
System 10	\$7144.00	System 10	80	\$89.30
System 11	\$13098.00	System 11	5	\$2619.60
System 11	\$13098.00	System 11	10	\$1309.80
System 11	\$13098.00	System 11	20	\$654.90
System 11	\$13098.00	System 11	40	\$327.45
System 11	\$13098.00	System 11	60	\$218.30
System 11	\$13098.00	System 11	120	\$109.15
System 12	\$22455.00	System 12	10	\$2245.50
System 12	\$22455.00	System 12	20	\$1122.75
System 12	\$22455.00	System 12	50	\$449.10
System 12	\$22455.00	System 12	100	\$224.55
System 12	\$22455.00	System 12	150	\$149.70
System 13	\$36486.00	System 13	10	\$3648.60
System 13	\$36486.00	System 13	20	\$1824.30
System 13	\$36486.00	System 13	60	\$608.10
System 13	\$36486.00	System 13	180	\$202.70

**PUBLIC LOTTERIES ACT 1996**  
**OZ LOTTO - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Oz Lotto and Games of Promotional Oz Lotto by the New South Wales Lotteries Corporation effective from 2 July 2009.

Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****OZ LOTTO RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of the Game of OZ Lotto and Promotional OZ Lotto. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1 DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Game of OZ Lotto) and Subscriptions for Games of OZ Lotto;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Games of OZ Lotto conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of Games of OZ Lotto;
  - (v) "Ancillary Fee" means a fee which the Chief Executive Officer of the Licensee may from time to time authorise a Direct Mail Agent to charge a Player or Syndicate Player from whom a Direct Mail Agent accepts a subscription;
  - (vi) "Approved" means approved in writing by the Minister;
  - (vii) "Automatic Entry" means an Entry or Syndicate Entry in respect of a Game of OZ Lotto made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) wherein the selection of Numbers is made by way of a Computer Linked Terminal;
  - (viii) "Bounded Area" means the area indicated as such by the symbols "◇" or "◊" on the relevant Entry Form containing Numbers;
  - (ix) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);
  - (x) "Commission" means the amounts which the Licensee is Approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry or Syndicate Entry, but which does not include a charge determined in accordance with Condition 16 (c) of the Licence;

- (xi) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of business of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Games of OZ Lotto or Games of Promotional OZ Lotto;
- (xii) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player or Syndicate Player and in respect of details of:
- (1) a Player's Entry in a Game of OZ Lotto;
  - (2) a Syndicate Entry;
  - (3) a Syndicate Player's Syndicate Entry Share in a Game of OZ Lotto; and
  - (4) where appropriate a Player's entry in a Game of Promotional OZ Lotto
- and which is retained or recorded on magnetic tape or otherwise stored;
- (xiii) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Game of OZ Lotto and instructions with respect to a Game of Promotional OZ Lotto from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xiv) "Director" means a Director of the Board of Directors of the Licensee;
- (xv) "Drawing" means:
- (1) in relation to a Game of OZ Lotto (but not including a Second Drawing) the selection of the Winning Numbers and the two Supplementary Numbers by lot using a Drawing Device;
  - (2) in relation to a Second Drawing the selection of the Winning Numbers by lot using a Drawing Device;
- (xvi) "Drawing Date" in relation to a Game of OZ Lotto means the date on which the Winning Numbers and the two Supplementary Numbers are drawn in respect of that Game of OZ Lotto and, provided there is no inconsistency and where the context admits, includes the date on which the Winning Numbers are drawn in respect of a Second Drawing of a Game of OZ Lotto;
- (xvii) "Drawing Device" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xviii) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the

Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;

- (xix) "Entry" means the Numbers in a Game of OZ Lotto which have been recorded in the central processing computer equipment, which have been selected by way of an Entry Form or Automatic Entry, which (subject to Rule 6(e)) have been Imprinted on the same numbered line on a Ticket, and in respect of which the correct Subscription or correct Syndicate Share Fee, as the case may be, has been paid;
- (xx) "Entry Form" means the Approved form to be completed by a Player or a Syndicate Player wishing to use this form of entry to enter a Game of OZ Lotto and/or a Game of Promotional OZ Lotto;
- (xxi) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Drawing/s remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawings.
- (xxii) "Fee" means the sum of the Commission and Subscription;
- (xxiii) "Game of OZ Lotto" means a competition styled as "OZ Lotto" conducted under the Act but does not include Games of Promotional OZ Lotto;
- (xxiv) "Game of Promotional OZ Lotto" means a public lottery conducted for the purpose of promoting a Game of OZ Lotto, and in respect of which:
- (1) eligibility to enter is confined to Players and Syndicate Players in a Game of OZ Lotto; and
  - (2) no further Subscription or Commission or a Syndicate Share Fee is charged;
- (xxv) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;
- (xxvi) "Jackpot Competition" means the Game of OZ Lotto drawn on the seventh day, or such other day as the Minister may direct, after any Drawing, (other than a Second Drawing) including the drawing of a Jackpot Competition, in which no Ticket is eligible for a Prize under Rule 12(e) Division 1(i);
- (xxvii) "Licence" means the Licence granted to New South Wales Lotteries


Corporation pursuant to section 12 of the Act;

(xxviii) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;

(xxix) "Malfunction" means a failure of any of the following:

- i. the Drawing Device;
- ii. the Computer Linked Terminal;
- iii. the central processing computer equipment;

to operate in the manner in which it is designed to operate;

(xxx) "Mark" means the drawing of a vertical line "I" within a Bounded Area  or a cross "X" within a Bounded Area " " in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;

(xxxi) "Minister" means the Minister for the time being administering the Act;

(xxxii) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one Drawing;

(xxxiii) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;

(xxxiv) "Multi-Week Entry " means an Entry referred to in Rule 10;

(xxxv) "Numbers" has the same meaning as section 5 of the Act;

(xxxvi) "Panel" means a separate matrix containing the Numbers from 1 to 45 in arithmetical sequence;

(xxxvii) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct Games of OZ Lotto under a corresponding law;

(xxxviii) "Player" means a person who:

- (1) has paid the correct Subscription for a valid Entry; and
- (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and

includes where relevant a person who has validly entered a Game of Promotional OZ Lotto and who holds, bears and submits a ticket in the Game of Promotional Lotto to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;

(xxxix) "Prize" means any Prize determined in accordance with Rule 12;

(xl) "Prize Fund" means an account established under Section 27 of the



Act and known as the OZ Lotto Prize Fund Account;

- (xli) "Prize Pool" means the amount allocated for the payment of Prizes being not less than fifty five percent (55%) of all Subscriptions received for a particular Game of OZ Lotto;
- (xlii) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xliii) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the Drawing Date, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xliv) "Provisional Prize" is a Prize in Division 1 and/or a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xliv) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xlvi) "Registered Player" means a Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (xlvii) "Registered Syndicate Player" means a Syndicate Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Syndicate Player;
- (xlviii) "Rules" means these Rules made under the Act, any amendment, modification, variation, or abrogation thereof for the time being in force;
- (xlix) "Second Drawing" means an additional Drawing conducted as part of a Game of OZ Lotto in accordance with the Rules;
- (l) "Standard Entry" means an entry referred to in Rule 8;
- (li) "Standard Entry" means an Entry in which seven (7) Numbers have been Marked in each Panel;
- (li) "Subscription" means the amounts Approved, excluding Commission and any amount determined in accordance with the Licence, which a Player or Syndicate shall be charged for an Entry;
- (lii) "Supplementary Numbers" in relation to a Game of OZ Lotto means the eighth and ninth Numbers drawn for each game;
- (liii) "Syndicate Entry" means an Entry which is prescribed in:
  - (1) column 3 of Schedule 2;

- (liv) "Syndicate Entry Share" means a share of a Syndicate Entry which is prescribed in:
- (1) column 4 of Schedule 2;
- (lv) "Syndicate Player" means a person who:
- (1) Has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and
- includes a person who has validly entered a Game of Promotional OZ Lotto and who holds, bears and submits a ticket in the Game of Promotional OZ Lotto to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (lvi) "Syndicate Share Fee" means the amount specified in"
- (1) column 5 of Schedule 2
- (lvii) "Systems Entry" means an Entry referred to in Rule 9;
- (lviii) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has paid the correct Subscription for a valid Entry in a Game of OZ Lotto or that a Syndicate Player has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share in a Game of OZ Lotto, and which:
- (1) contains Entry or Syndicate Entry Share details; and
  - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and
  - (3) may include other particulars as determined by the Licensee;
- (lix) "Ticket Serial Number" means the numbers and/or letters Imprinted on a Ticket and which constitute official verification of the valid issue of a Ticket;
- (lx) "Winning Numbers" in relation to a Game of OZ Lotto (including a Second Drawing) means the first seven Numbers drawn for each game.
- (b) In these Rules unless inconsistent with the context:
- (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2 CONDUCT AND DRAWINGS OF GAMES OF OZ LOTTO AND CONDUCT OF GAMES OF PROMOTIONAL OZ LOTTO**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Game of OZ Lotto and Game of Promotional OZ Lotto.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players and Syndicate Players.
- (c) Games of OZ Lotto will be drawn on Tuesday of each week unless the Minister directs otherwise.
- (d) Drawings undertaken in the State of New South Wales shall be conducted in such manner as approved by the Licensee.

Where a Malfunction in a Drawing Device occurs:

- (i) only the Number/s drawn before a Malfunction has commenced shall be Winning Number/s and/or Supplementary Number/s;
- (ii) in the event that any Winning Number/s and/or Supplementary Number/s are still to be selected after the Malfunction;
  - (1) the Drawing shall commence or re-commence, as the case may be, as soon as practicable after the rectification of the Malfunction; or
  - (2) where the Malfunction cannot be rectified, the Drawing shall commence or re-commence, as the case may be, using a substitute Drawing Device as soon as practicable after the commencement of the Malfunction and shall continue until all Winning Numbers and Supplementary Numbers are drawn.
- (e) Drawings conducted outside the State of New South Wales shall be conducted and supervised in accordance with the requirements of the relevant regulatory body for the State or Territory in which the Drawings are conducted.
- (f) The Licensee may conduct a Game of Promotional OZ Lotto in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Game of Promotional OZ Lotto in conjunction with another Game of OZ Lotto or separately from a Game of OZ Lotto or otherwise in conjunction with another lottery conducted by the Licensee.
- (g) A Game of Promotional OZ Lotto shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (h) The Prize structure for a Game of Promotional OZ Lotto shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players and Syndicate Players during the period of each Game of Promotional OZ Lotto.
- (i) During the period in which the Licensee accepts entries in a Game of

Promotional OZ Lotto some of the Prizes in the approved Prize structure may already have been won when a Player or Syndicate Player enters the Game of Promotional OZ Lotto leaving the balance of Prizes still available to be won by Players and Syndicate Players at the time of their respective entries.

- (j) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players and Syndicate Players in a Game of Promotional OZ Lotto of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Game of Promotional OZ Lotto.
- (k) A ticket in a Game of Promotional OZ Lotto may include one or more Prizes to be won on the same ticket.
- (l) A Game of Promotional OZ Lotto may require the Player or Syndicate Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3 APPLICATION OF RULES**

- (a) All instructions and conditions printed on Entry Forms and Tickets and these Rules shall apply to each Game of OZ Lotto and shall be binding on all Players and Syndicate Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on Entry Forms and Tickets these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Game of Promotional OZ Lotto and shall be binding on all Players and Syndicate Players.
- (d) By entering a Game of OZ Lotto or a Game of Promotional OZ Lotto Players and Syndicate Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

### **RULE 4 OBJECT**

The object of the Game of OZ Lotto is to select seven (7) Numbers in a Panel, which Numbers are the same as the Winning Numbers.

### **RULE 5 ELIGIBILITY FOR INCLUSION IN A GAME OF OZ LOTTO**

- (a) In order for an Entry or Syndicate Entry Share to be eligible for inclusion in a Game of OZ Lotto, before the Drawing of that Game of OZ Lotto;
  - (i) the Entry or Syndicate Entry Share must have been recorded by the central processing computer equipment;
  - (ii) a valid Ticket must have issued by the Computer Linked Terminal;
  - (iii) the Entry or Syndicate Entry Share details recorded on such Ticket issued under Rule 5(a)(ii) must match the details held by the Licensee by way of Computer Records; and
  - (iv) the Player or Syndicate Player must have paid the Subscription or Syndicate Share Fee as the case may be in relation to such Entry or Syndicate Entry Share.
  
- (b) Any Ticket issued shall be subject to Rule 6(g) hereof.

#### **RULE 6            RULES APPLYING TO ENTRY FORMS AND TICKETS**

- (a) An Entry Form shall consist of Panels which must be completed in the numerical order shown on the said form commencing with the top left hand Panel. A Player or Syndicate Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player or Syndicate Player claiming a resultant Prize may not be entitled to payment of the Prize.
  
- (b) A completed Entry Form or any other approved form of Entry (including Automatic Entry) completed or made in accordance with these Rules shall be accepted by an Agent and processed on a Computer Linked Terminal and evidenced by the issue of the Ticket to the Player or Syndicate Player. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Entry Form or other approved form of Entry at the time of presentation to the Agent for processing.
  
- (c) Subject to paragraph (g) below acceptance of a Ticket by a Player or Syndicate Player shall constitute the Player's or Syndicate Player's acknowledgment of the correctness of the details (including Entry or Syndicate Entry Share details) thereon. The Ticket issued to a Player or Syndicate Player shall be the only form issued by the Licensee or its Agent or Direct Mail Agent to the Player or Syndicate Player evidencing the Player's or Syndicate Player's Entry or Syndicate Player's Syndicate Entry Share, as the case may be. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Ticket at the time it is received by a Player or Syndicate Player from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player or Syndicate Player from the Agent.
  
- (d) In the event that the details recorded on the Player's or Syndicate Player's

Ticket are not consistent with the details held by the Licensee by way of Computer Records then the latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player or Syndicate Player shall be entitled to and the Player or Syndicate Player shall be bound by any such determination.

- (e) Subject to Rule 19(f), a Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the Drawing of the Game of OZ Lotto entered.
- (f) An Agent who has sold a Ticket may cancel a Ticket, with the approval of the Licensee, on the day of purchase of the Ticket, prior to the Drawing of the Game of OZ Lotto entered. When a Ticket has been cancelled by an Agent the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may, paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (g) The Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the Drawing of the Game of OZ Lotto entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (h) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket.
- (i) Where Numbers in a Game of OZ Lotto have been transferred to the central processing computer equipment via a Computer Linked Terminal and recorded on the Computer Records but:
  - (i) no Subscription or Syndicate Entry Fee has been paid to the Agent in whose place of business the computer Linked terminal is located prior to the close of selling for the Drawing in respect of that Game of OZ Lotto; and
  - (ii) such Agent has failed to cancel the Numbers before the Drawing; then

such Agent shall be liable for and shall meet the cost of the Subscription or Syndicate Share Fee, as the case may be, in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered:

- (iii) to have paid the Subscription or Syndicate Share Fee, as the case may be; and
  - (iv) shall be considered a Player or Syndicate Player as the case may be; and
  - (v) shall be the holder of the Entry or Syndicate Entry Share, as the case may be.
- (j) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are correct.
- (k) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Game of OZ Lotto by a Player with a Direct Mail Agent does not exempt the Player from being bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.
- (l) Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (m) A Ticket shall at all times remain the property of the Licensee and a Player or Syndicate Player shall deliver up any Ticket to the Licensee upon demand.

#### **RULE 7            COMMISSION**

The Licensee is Approved to charge a Player or Syndicate Commission in the amounts specified in Schedule 1 of these Rules. By entering a Game of OZ Lotto the Player accepts liability to pay the Commission to the Licensee. By entering a Game of OZ Lotto a Syndicate Player accepts liability to pay to the Licensee that part of the Commission payable in respect of a Syndicate Entry Share. The Subscriptions quoted in Rules 8, 9 and 10 exclude Commission.

#### **RULE 8            STANDARD ENTRY**

- (a) For a Standard Entry to be made seven (7) Numbers shall have been Marked in each Panel completed for a Standard Entry.
- (b) No fewer than one (1) Panel must be completed for each Standard Entry. Additional Panels may be completed up to the total number of Panels shown on the Entry Form.
- (c) The Subscription for each Standard Entry shall be \$1.00 for each game Panel completed.
- (d) If more than seven (7) Numbers in a Panel are Marked for a Standard Entry which has been forwarded to the Licensee by post, the Licensee shall disregard the highest Numbers in descending arithmetical sequence until seven (7) Marked Numbers remain.



- (e) If less than seven (7) Numbers in a Panel are Marked for a Standard Entry which has been forwarded to the Licensee by post entry into a Game of OZ Lotto shall not take effect and the Licensee shall return the Standard Entry together with any Fees therewith to the Player.

## **RULE 9            SYSTEMS ENTRY**

- (a) A Systems Entry shall be made by selecting more than seven (7) Numbers in a Panel; so that eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers may be Marked in a Panel.

- (b) Only one (1) system may be selected for a Systems Entry by Marking the appropriate Bounded Area on the Entry Form. That system shall apply to all Panels completed on that Form.

- (c) Numbers in respect of a Systems Entry shall be Marked in accordance with the system selected. In each Panel completed the following shall be Marked:

System 8 - eight (8) Numbers

System 9 - nine (9) Numbers

System 10 - ten (10) Numbers

System 11 - eleven (11) Numbers

System 12 - twelve (12) Numbers

System 13 - thirteen (13) Numbers

System 14 - fourteen (14) Numbers

System 15 - fifteen (15) Numbers

System 16 - sixteen (16) Numbers

System 17 - seventeen (17) Numbers

System 18 - eighteen (18) Numbers.

- (d) In respect of a Syndicate Entry:

- (i) More than nine (9) Numbers shall be Marked in a Panel; so that ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers shall be Marked in a Panel on a Systems Entry Form; and

- (ii) The appropriate Bounded Area shall be Marked on the Systems Entry Form to select the particular system; and

- (iii) Only one (1) system may be selected on a Systems Entry Form. That system shall apply to all Panels completed on that Systems Entry Form; and



- (iv) The Numbers on a Systems Entry Form shall be Marked in accordance with the system selected. In each Panel completed, the following shall be Marked:

System 10 – ten (10) Numbers

System 11 - eleven (11) Numbers

System 12 - twelve (12) Numbers

System 13 - thirteen (13) Numbers

System 14 - fourteen (14) Numbers

System 15 - fifteen (15) Numbers

System 16 - sixteen (16) Numbers

System 17 - seventeen (17) Numbers

System 18 - eighteen (18) Numbers.

- (e) Notwithstanding any other provision in these Rules, where a Mark on a Systems Entry Form in respect of an Entry which has been forwarded to the Licensee by post has not been made in accordance with Rule 9(b), or where the Numbers Marked in any Panel are inconsistent with the system selected under Rule 9 (d), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Systems Entry Form and interpret any selections thereon in such manner and having regard to such factors as the Chief Executive Officer determines. Thereafter such Systems Entry shall be included in that Game of OZ Lotto and any subsequent evaluation thereof for the purpose of determining the Player's entitlement to a prize shall be made in accordance with the Chief Executive Officer's interpretation.
- (f) Any number of Panels up to the total number of Panels on the Entry Form may be completed.
- (g) The Subscriptions for a Systems Entry are:

<b>System Number</b>	<b>Equivalent Number of Standard Panels entered</b>	<b>Subscription \$</b>	<b>Number of Bounded Areas to be marked in each Panel</b>
8	8	8	8
9	36	36	9
10	120	120	10
11	330	330	11
12	792	792	12
13	1716	1716	13
14	3432	3432	14
15	6435	6435	15
16	11440	11440	16
17	19448	19448	17
18	31824	31824	18

**RULE 10            MULTI-WEEK ENTRY**

- (a) A Multi-Week Entry may be made in respect of any of the consecutive Games of OZ Lotto prescribed in Rule 10(d).
- (b) Either a Standard Entry or System 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 or 18 Entry shall be selected by Marking the appropriate Bounded Area on the Entry Form.
- (c) Rule 8 shall apply where a Standard Entry is selected on a Multi-Week Entry Form. Rule 9 shall, in so far as it relates to a Multi-Week Entry apply only to Systems 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 or 18.
- (d) A Multi-Week Entry may be submitted for entry in two (2), five (5), ten (10) or twenty-five (25) consecutive Games of OZ Lotto.
- (e) In a Multi-Week Entry, the number of consecutive Games of OZ Lotto to be entered shall be selected by Marking the appropriate Bounded Area on the Entry Form.
- (f) If an Entry Form is forwarded to the Licensee by post with no Bounded Area Marked in accordance with Rule 10(e), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selection thereon in such manner having regard to such factors as the Chief Executive Officer deems appropriate.
- (g) Subscriptions for a Multi-Week Entry are the total of Subscriptions that would have been payable for an Entry submitted in a Game of OZ Lotto multiplied by the number of consecutive Games of OZ Lotto in which the Entry is entered under Rules 10(e) or 10(f).

**RULE 11            SUBMISSION OF ENTRY FORMS**

- (a) The Licensee may impose a registration fee payable by a Player or Syndicate Player for the provision by the Licensee of the player registration service. Application will be by way of an application form as approved by the Chief Executive Officer.
- (b) A person under the age of eighteen (18) years shall not enter a Game of OZ Lotto or a Game of Promotional OZ Lotto.
- (c) An Entry Form may only be submitted through:
  - (i) an Agent; or
  - (ii) a Direct Mail Agent; or
  - (iii) except as provided in Rule 19(h), by post in accordance with paragraphs (i), (l) and (m) of this Rule provided that the Player is a Registered Player or becomes a Registered Player as a result of that entry.
- (d) An Entry Form or any other form of Entry or Syndicate Entry in respect of a Game of OZ Lotto submitted to an Agent or a Direct Mail Agent or the Licensee by a Player or Syndicate Player must be accompanied by the correct

Fee or Syndicate Share Fee and player registration fee (if applicable).

- (e) The form of payment of the Fee or Syndicate Share Fee or player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (f)
- (i) If anonymity is desired the Player or Syndicate Player should clearly so indicate on the appropriate Prize claim form or indicate same when completing application to become a Registered Player or Registered Syndicate Player. Players or Syndicate Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's or Registered Syndicate Player's name and address pursuant to the provisions of Rule 13(b)(iii) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.
- (ii) All correspondence to the Chief Executive Officer in accordance with Rule 11(f)(i) should be addressed:-

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (g) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player in respect of an Entry, or the Syndicate Player in respect of a Syndicate Entry.
- (h) Where a Player submits an Entry Form or other form of Entry or, in the case of a Syndicate Entry, where a Syndicate Player purchases a Syndicate Entry Share as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player or Syndicate Player.
- (i) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the Drawing relating to that Entry or Syndicate Entry. For the purposes of this paragraph an Entry or Syndicate Entry will be taken to be received when details thereof have been recorded on the central processing computer equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.
- (j) Other than as provided for in Rules 6(e), 19(e) and 19(f) no Ticket may be withdrawn or altered after issue to a Player or Syndicate Player without the consent of the Licensee.
- (k) A Player may post an Entry Form to the Licensee at the following address:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (l) An Entry Form sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said form will be entered by the Licensee in the Drawing for which it has been received in time to be processed. The Licensee will process the form and post it and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (m) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.

- (n) Form of entry in a Game of Promotional OZ Lotto

(i) The Chief Executive Officer is to approve the form of entry for a Game of Promotional OZ Lotto;

(ii) Without limiting Rule 11 (n)(i), the form of entry in a Game of Promotional OZ Lotto may be any of the following (or combination of the following):

- (1) part of a Ticket;
- (2) any other ticket or document;
- (3) entries made by means of an electronic or mechanical device or by telecommunications system.

(iii) If any entry in a Game of Promotional OZ Lotto is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Game of Promotional OZ Lotto:

- (1) constitutes the Player's or Syndicate Player's official receipt;
- (2) is, following its acceptance, to constitute the Player's or Syndicate Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
- (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Game of Promotional OZ Lotto.

## **RULE 12 DETERMINATION OF PRIZES**

- (a) Prizes for each Game of OZ Lotto shall be paid by the Licensee from the Prize Pool in the percentage specified in this Rule and shall be classified as Division

1, Division 2, Division 3, Division 4, Division 5, Division 6 and Division 7 Prizes.

- (b) Any such Prize shall, where only one (1) Entry or Syndicate Entry is eligible for that Prize, be payable in respect of that Entry or Syndicate Entry, or shall, where two (2) or more Entries and/or Syndicate Entries are eligible for that Prize, be shared equally between those Entries and/or Syndicate Entries.
- (c) Where a Syndicate Entry is eligible for a Prize, such Prize shall be divided by the number of Syndicate Entry Shares in the Syndicate Entry to determine the amount payable in respect of each Syndicate Entry Share.
- (d) Subject to Rule 12 (c), the amount payable in respect of a Syndicate Entry Share shall be rounded up to the nearest five (5) cents. Monies required for rounding up shall be drawn from the Prize Reserve Fund.
- (e) The Prize Pool distribution for other than the Division 1 Prize Pool shall be subject to a rounding off process (which shall be to the nearest sum containing a five (5) cent multiple). Monies required for rounding up shall be drawn from the Division 1 Prize Pool. Where a rounding down process has occurred, the excess monies shall be paid into the Division 1 Prize Pool.
- (f) Unless otherwise Approved, the Prize Pool will be distributed in the following indicative percentages that may be varied up or down by the Licensee by a maximum of five (5) percentage points provided the resultant allocation is no lower than half the indicative percentage specified.

Division 1 -

- (i) A Prize of an amount equal to 40% of the Prize Pool shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers.
- (ii) If no Prize in this Division is payable in respect of any Entry or Syndicate Entry, an amount equal to 40% of the Prize Pool shall be retained in the Prize Fund so as to form part of the monies payable in respect of any Entry or Syndicate Entry which, or shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers in the Jackpot Competition; provided that no such additional jackpotting shall be effected for more than twenty four (24) consecutive games of the same type, so that if no Division 1 Prize is payable in respect of any Entry or Syndicate Entry in twenty four (24) consecutive games of that type and there is no such Prize payable in respect of any Entry or Syndicate Entry in the next (or 25th) consecutive game of that type, then the total Prize money payable in respect of such additions or jackpot, when added to the Division 1 Prize payable in respect of such 25th game, shall be added to the Prize money allocated to the next lower division in which a Prize is payable in respect of an Entry or Syndicate Entry or Entries or Syndicate Entries.

Division 2 -

A Prize of an amount equal to 1.7% of the Prize Pool shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally

between any two (2) or more Entries and/or Syndicate Entries each of which, contains six (6) but not more than six (6) of the seven (7) Winning Numbers together with one or both of the Supplementary Numbers.

Division 3 -

A Prize of an amount equal to 3.5% of the Prize Pool, or where there is no Prizewinner in Division 2, 5.2% of the Prize Pool, shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains six (6) but no more than six (6) of the seven (7) Winning Numbers.

Division 4 -

A Prize of an amount equal to:

- (i) 1.8% of the Prize Pool; or
- (ii) where there is no Prizewinner in Division 3, 5.3% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 2 and 3, 7.0% of the Prize Pool,

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but not more than five (5) of the seven (7) Winning Numbers together with one or both of the Supplementary Numbers.

Division 5 -

A Prize of an amount equal to:

- (i) 2.1% of the Prize Pool; or
- (ii) where there is no Prizewinner in Division 4, 3.9% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 3 and 4, 7.4% of the Prize Pool; or
- (iv) where there are no Prizewinners in Divisions 2, 3 and 4, 9.1% of the Prize Pool;

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but not more than five (5) of the seven (7) Winning Numbers.

Division 6 -

A Prize of an amount equal to:

- (i) 24% of the Prize Pool; or
- (ii) where there is no Prizewinner in Division 5, 26.1% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 4 and 5, 27.9% of the Prize Pool; or
- (iv) where there are no Prizewinners in Divisions 3, 4 and 5, 31.4% of the Prize Pool; or

- (v) where there are no Prizewinners in Divisions 2, 3, 4 and 5, 33.1% of the Prize Pool;

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but not more than four (4) of the seven (7) Winning Numbers.

Division 7 -

A Prize of an amount equal to:

- (i) 26.9% of the Prize Pool; or
- (ii) where there is no Prizewinner in Division 6, 50.9% of the Prize Pool; or
- (iii) where there are no Prizewinners in Divisions 5 and 6, 53.0% of the Prize Pool; or
- (iv) where there are no Prizewinners in Divisions 4, 5 and 6, 54.8% of the Prize Pool; or
- (v) where there are no Prizewinners in Divisions 3, 4, 5 and 6, 58.3% of the Prize Pool; or
- (vi) where there are no Prizewinners in Divisions 2, 3, 4, 5 and 6, 60.0% of the Prize Pool;

shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but not more than three (3) of the seven (7) Winning Numbers together with one or both of the Supplementary Numbers.

(g) Second Drawing

The Licensee may, subject to the Approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Game of OZ Lotto provided that:

- (i) the Second Drawing shall be conducted following the Drawing of the OZ Lotto Game;
- (ii) an Entry or Syndicate Entry made in respect of a Game of OZ Lotto shall be entered automatically into the Second Drawing in respect of that Game of OZ Lotto and such entry shall not require the payment of any further Subscription;
- (iii) the Prize or Prizes payable in relation to the Second Drawing shall be payable in respect of any Entry or Syndicate Entry which, or shall be payable in equal shares in respect of any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers;



- (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
  - (v) the Second Drawing shall not involve the drawing of any Supplementary Numbers; and
  - (vi) the Second Drawing shall not constitute a separate Game of OZ Lotto but shall be part of the normal weekly competition.
- (h) A Game of OZ Lotto may include an additional Prize or Prizes, Prizes paid on special occasions or pursuant to Rule 12(g) (as Approved by the Minister from time to time). Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.
- (i) Prizes in a Game of Promotional OZ Lotto
- (i) The Prizes payable in a Game of Promotional OZ Lotto may consist of one or more of the following:
    - (1) money;
    - (2) holidays;
    - (3) travel;
    - (4) accommodation;
    - (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
    - (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.
  - (ii) A Prize in a Game of Promotional OZ Lotto must not consist of or include tobacco.
  - (iii) A Prize in a Game of Promotional OZ Lotto must not consist of or include liquor within the meaning of the Liquor Act 1982.
- (j) Determination of Prizes in a Game of Promotional OZ Lotto
- (i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Game of Promotional OZ Lotto.
  - (ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Game of Promotional OZ Lotto conducted by it.
  - (iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Game of Promotional OZ Lotto, including (but not limited to) the following:
    - (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;



- (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
  - (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
  - (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
  - (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.
- (iv) The Prizes in a Game of Promotional OZ Lotto are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Game of Promotional OZ Lotto.

**RULE 13            ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE-WINNERS**

- (a) Following each Drawing of a Game of OZ Lotto the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the Winning Numbers and the Supplementary Numbers;
  - (ii) the amount of the Prize Pool allocated to each Division;
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners; and
  - (iv) the value of Prizes and the number of Prize-winners in respect of Division 2, Division 3, Division 4, Division 5, Division 6 and Division 7.
- (b) Following each Drawing of a Game of OZ Lotto the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 11 (f)(i) or where Provisional Prize Winners are not Registered Players or Registered Syndicate Players;
  - (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 14(a), 14(b), 14(i) and 14(k) must be made.
- (c) Where appropriate the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Game of Promotional OZ Lotto as soon as possible after the completion of such Game of Promotional OZ Lotto.
- (d) The Licensee shall make available to the media (and elsewhere at the Chief

Executive Officer's discretion) the results of each Second Drawing as soon as possible after the completion of that Second Drawing.

**RULE 14 PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES AND PROVISIONAL PRIZES**

In relation to a Game of OZ Lotto:

- (a)
- (i) Other than as provided for Registered Players or Registered Syndicate Players, any Provisional Prize (or in the case of a Syndicate Entry, a share of any Provisional Prize) must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with Rule 14(a)(i) is the day of receipt by the Licensee.
- (b) A Registered Player winning a Provisional Prize (or in the case of a Syndicate Entry, a Syndicate Player winning a share of a Provisional Prize) which exceeds \$10,000 will be notified personally or by mail within five (5) days after the Drawing Date. In respect of any Provisional Prize won by a Registered Player (or in the case of a Syndicate Entry, any share of a Provisional Prize won by a Registered Syndicate Player) the Chief Executive Officer may require that Registered Player or Registered Syndicate Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) hereof.
- (c) Where a Registered Player or Registered Syndicate Player has been requested to claim the Prize in accordance with Rule 14(b) the Prize may be paid in accordance with the procedure and conditions set out in Rule 14(d) hereof.
- (d) A Provisional Prize or Share of a Provisional Prize shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer.
- (e) For Registered Players, any Prize (or in the case of a Registered Syndicate Player, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal not earlier than the day immediately after, and not later than eight (8) weeks after, the relevant Drawing Date. Prizes not so claimed will be paid by the Licensee by cheque or at the discretion of the Licensee by electronic funds transfer after the expiry of eight (8) weeks after the Drawing Date; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted therefrom.
- (f) For a Player or Syndicate Player who is not a Registered Player or Registered Syndicate Player, any Prize (or in the case of a Syndicate Entry, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player or Syndicate Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time

determined by the Chief Executive Officer, this being a period of not less than eight (8) weeks.

- (g) Subject to Rules 14(a), 14(b), 14(c), 14(d) and 14(e) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings.
- (h) A Prize or, in the case of a Syndicate Entry, as share of a Prize, not paid by an Agent in accordance with Rule 14 (f) will be paid by the Licensee by cheque or, at the discretion of the Licensee by electronic funds transfer, upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require. A sum representing the cost of processing as approved by the Chief Executive Officer will be deducted from the Prize or share of a Prize so paid.
- (i) A:
  - (i) Registered Player or Registered Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) pursuant to Rule 14(b) and who has not been notified within five (5) days in accordance with Rule 14(b) and/or whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal ; or
  - (ii) Player or Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) and whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal;

must claim by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 14 (l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after the Drawing Date, starting on the day immediately following the Drawing Date.

A claim not received in accordance with this Rule 14(i) will be rejected and the Licensee shall have no liability in relation thereto.

- (j) The Entry or Syndicate Entry subject of a claim for a Provisional Prize made in accordance with Rule 14(i) shall be entitled to that Provisional Prize if is found by the Licensee to be a winning Entry or winning Syndicate Entry before the expiry of the Provisional Period, and in such case the Provisional Prize amount shall be varied to take into account the new Provisional Prize Winner.
- (k) A:
  - (i) Player or Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
  - (ii) Registered Player or Registered Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal and/or where the Prize has not has not been paid in

accordance with Rule 14(e);

must lodge a Prize claim form containing or accompanied by the particulars set out in Rule 14 (l).

- (l) The particulars required in accordance with the provisions of Rules 14 (a), 14 (b), 14(i), and 14 (k) are:
  - (i) the name and address of the Player or Syndicate Player;
  - (ii) the Ticket Serial Number;
  - (iii) the Numbers included on the relevant numbered line on the Ticket;
  - (iv) the Player's or Syndicate Player registration number if a Registered Player or Registered Syndicate Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires.
- (m) Notwithstanding the provisions of this Rule 14, if an Entry or Syndicate Entry which would otherwise have been entitled to a Prize or share of a Prize not exceeding \$1000.00 is discovered after payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player or Syndicate Player the same Prize or Share of a Prize as is being paid to winning Players or winning Syndicate Players or such other Prize amount or share of a Prize amount as determined by the Chief Executive Officer.
- (n) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize (or in the case of a Syndicate Entry a share of a Prize or a Provisional Prize) to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is a Player entitled to that Prize or Provisional Prize (or, in the case of a Syndicate Entry, is the Syndicate Player entitled to a share of that Prize or Provisional Prize). Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player or Syndicate Player may fail to meet one or more of the elements (1) or (2) contained in Rules 1(xxxvii) or 1(lv) or may fail to meet some or all of the provisions contained in these Rules governing Prize entitlement.
- (o) All cheques will be crossed and marked "Not Negotiable" and will be drawn in favour of the Player or Syndicate Player in accordance with these Rules.
- (p) Subject to Rule 14(i), at any time before the payment of Prizes the Chief Executive Officer may correct an error made in determining the number of Entries or Syndicate Entries entitled thereto or the amount thereof.
- (q) The payment of a Prize or share of a Prize to any Player or Syndicate Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales.

- (r) Subject to section 17 of the Act, all unclaimed or uncollected Prizes or shares of Prizes shall be retained in the Prize Fund for payment to the Players or Syndicate Players entitled thereto
- (s) Remittances for payments of Prizes or shares of Prizes may include all Prizes or shares of Prizes won on the same Ticket.
- (t) Where payment by the Licensee of a Prize or share of a Prize is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
- (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player or Syndicate Player.
- (u) Where payment of a Prize or share of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player or Registered Syndicate Player, to the name and address appearing on the Licensee's records relating to that Player or Syndicate Player.
- Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same.
- (v) Any Prize or share of a Prize sent by the Licensee to a Player or Syndicate Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player or Syndicate Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability.
- (w) The payment of all Prizes or shares of Prizes pursuant to this Rule 14 will discharge the Licensee from liability notwithstanding the existence of any trust, whether express, constructive or implied. Where the Licensee has paid a Player or Syndicate Player pursuant to this Rule 14 and the Chief Executive Officer is, after such payment has been made, of the view that the Player or Syndicate Player was not the Player or Syndicate Player to whom such payment should have been made the Player or Syndicate Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her.
- (x) Prizes may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize or a share of a Prize may be forwarded by an Agent to the Licensee at the request of a Player or

the Player may forward the Prize claim form to the Licensee direct.

- (y) A Prize or share of a Prize to be paid in accordance with Rule 12 (g) or Rule 12 (i) shall be forwarded to the winners thereof in such manner as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct.
- (z) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (aa) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (ab) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.
- (ac) Payment of Prizes in a Game of Promotional OZ Lotto
  - (i) A Prize is not payable in a Game of Promotional OZ Lotto unless:
    - (1) the entry submitted in a Game of Promotional OZ Lotto is in the form determined by the Chief Executive Officer under Rule 11(n)(i); and
    - (2) if the form of entry requires the Player or Syndicate Player to have purchased a Ticket in a Game of OZ Lotto, the Ticket in the Game of OZ Lotto must satisfy any test used by Chief Executive Officer to determine whether the Ticket in the Game of OZ Lotto is valid,

and the claimant has complied with all conditions relating to the Game of Promotional OZ Lotto advertised under Rule 12(j)(ii).

- (ii) The Licensee may record on an entry in a Game of Promotional OZ Lotto a verification code or other test and use it to determine whether the entry in a Game of Promotional OZ Lotto is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Game of Promotional OZ Lotto, on which such a test is recorded, if the entry does not satisfy the test.

## **RULE 15      DISQUALIFICATIONS**

- (a) Notwithstanding that:
  - (i) a Ticket may have issued; or
  - (ii) A drawing has occurred in respect of a Ticket;

an Entry or a Syndicate Entry Share in a Game of OZ Lotto or entry in a Game of Promotional OZ Lotto may be disqualified and no Prize claim shall be made in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified. Any Ticket having issued in respect of an Entry or a Syndicate Entry Share in a Game of OZ Lotto which is disqualified shall automatically be void and cancelled.

- (b) The reason for disqualification may include but are not limited to:



- (i) tender of insufficient Fee or, in the case of a Syndicate Entry Share, insufficient Syndicate Share Fee, a dishonoured cheque or if the form of remittance is not acceptable;
- (ii) the Player or Syndicate Player had defaulted in payment of any previous Fee or Syndicate Share Fee;
- (iii) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
- (iv) Ticket fails any security tests of the Licensee;
- (v) reasonable suspicion of unauthorised use of a Computer Linked Terminal;
- (vi) a Malfunction occurring in respect of the Computer Linked Terminal or the Licensee's central processing computer equipment; or
- (vii) any other breach of these Rules which justifies disqualification.

The Licensee shall use its best endeavours to notify a Player or Syndicate Player, whose name and address is known to the Licensee, that an Entry or Syndicate Entry Share has been disqualified and the reason therefore and the Licensee shall in respect thereof refund to the Player any Subscription paid or to the Syndicate Player any Syndicate Share Fee paid less that part of the Syndicate Share Fee that represents the relevant proportion of Commission. Where the Licensee does not know of the name and address of a Player or Syndicate Player the Licensee shall publicise, in a manner determined by the Chief Executive Officer, the disqualification of such Entry or Syndicate Entry Share.

#### **RULE 16      LIMITATION OF LIABILITY**

- (a) By entering a Game of OZ Lotto or a Game of Promotional OZ Lotto a Player or Syndicate Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or Syndicate Player or any other person by reason of the loss or destruction of a Ticket or a ticket in a Game of Promotional OZ Lotto for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription (or in the case of a Syndicate Entry that part of the Syndicate Share Fee that represents the relevant proportion of Subscription) paid in respect of that Ticket.
- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize or a Syndicate Player who claims a share of a Prize and is unable to submit a Ticket or a ticket in a Game of Promotional OZ Lotto. The Licensee shall have discharged all liability in relation to payment of a Prize or share of a Prize by making payment to a person in accordance with Rule 14.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every

Employee or contractor of the Licensee shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:

- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of OZ Lotto or Game of Promotional OZ Lotto; and
  - (ii) without prejudice to the generality of Rule 16(d)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize;
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of OZ Lotto or entry in a Game of Promotional OZ Lotto received by way of Entry Form or Automatic Entry.
    - (5) the receipt and processing of a Prize claim form; or
    - (6) the cancellation of a Ticket; and
  - (iii) without prejudice to the generality of Rule 16(d)(i) and Rule 16(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
    - (1) the processing of an Entry Form;
    - (2) the issue of a Ticket;
    - (3) the completion of a Prize claim form;
    - (4) the receipt of a Prize claim form;
    - (5) the processing of a Prize claim;
    - (6) the payment of a Prize;
    - (7) the cancellation of a Ticket; and
  - (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or



- discretion conferred or contemplated by the Rules in or about the conduct of any Game of OZ Lotto or Game of Promotional OZ Lotto; and
- (ii) without prejudice to the generality of Rule 16(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize; or
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of OZ Lotto or entry in a Game of Promotional OZ Lotto received by way of Entry Form or Automatic Entry.
  - (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or Syndicate Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
  - (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Game of OZ Lotto or Game of Promotional OZ Lotto due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
  - (h) In the acceptance and processing of any Entry Form or Automatic Entry culminating in the issue of a Ticket or a ticket in a Game of Promotional OZ Lotto, an Agent shall for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
  - (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all items and for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
  - (j) Notwithstanding the provisions of Rule 16 (h), in the acceptance of Commission in respect of an Entry by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player and in the acceptance by an Agent of that part of the Syndicate Share Fee that represents the relevant proportion of Commission in respect of a Syndicate Entry the agent shall for this purpose be the agent of the Licensee and not the agent of the Syndicate Player.

- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 16(a) to 16(j) inclusive as those protected by said Rules.

#### **RULE 17**

- (a) The OZ Lotto Rules made pursuant to the Lotto Act and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer entries made pursuant to Rules previously in force under any earlier Licence and which relate to a Drawing or Drawings to be conducted on or after the date these Rules take effect shall be taken to be submitted as entries in such Drawing or Drawings pursuant to those previous Rules.

#### **RULE 18**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Game of Promotional OZ Lotto.

#### **RULE 19.**

- (a) An Entry as specified in column 1 of Schedule 2 shall be a Syndicate Entry if specified in, respectively:
- (i) column 3 of Schedule 2;
- (b) A Syndicate Entry may be divided into separate Syndicate Entry Shares as shown in:
- (i) column 4 of Schedule 2;
- (c) The Syndicate Share Fee for each Syndicate Entry Share shall be the amount specified in, respectively:
- (i) column 5 of Schedule 2; or
- (d) The Syndicate Player must pay the Syndicate Share Fee in respect of each Syndicate Entry Share purchased by the Syndicate Player.
- (e) Before the Agent sells a Syndicate Entry Share in a Syndicate Entry the Agent must by means of the Computer Linked Terminal direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the Syndicate Entry nominated by the Agent.
- (f) An Agent who has directed the Licensee's central processing computer equipment pursuant to rule 19(e) may also direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the nominated Syndicate Entry which sale may be effected by the Agent and also by other Agents nominated by the Agent.

- (g) Where no Syndicate Entry Share has been sold in a Syndicate Entry in respect of which the Agent has made a direction in accordance with Rule 19(e) that Syndicate Entry:
- (i) is not eligible to be entered into a Game of OZ Lotto;
  - (ii) shall not be included in a Drawing; and
  - (iii) is not entitled to receive any Prize.
- (h) For the sake of clarity, no person or other legal entity is entitled to receive a Prize in the event of the occurrence of the circumstances specified in Rule 19(g).
- (i) Where at least one (1) but not all Syndicate Entry Shares have been sold in respect of a Syndicate Entry before the Drawing of the Game of OZ Lotto into which the Syndicate Entry is entered the Agent responsible for directing the central processing computer equipment pursuant to Rule 19(e) in respect of that Syndicate Entry shall be solely liable for and shall pay to the Licensee all Syndicate Entry Share Fees which have not been paid in respect of the unsold Syndicate Entry Shares in the Syndicate Entry and in such case, for the purposes of these Rules, and in relation to such unsold Syndicate Entry Share or Shares, the Agent shall be considered to be the Syndicate Player. In these circumstances the Syndicate Entry shall be:
- (i) eligible to be entered into the Game of OZ Lotto;
  - (ii) be included in the Drawing; and
  - (iii) be entitled to receive any Prize.
- (j) The Licensee may pay a fee or reward to its Agents for the promotion of any Syndicate Entry or sale of any Syndicate Entry Shares other than the Syndicate Share Fee.
- (k) Upon payment of the Syndicate Share Fee in respect of a Syndicate Entry Share a Syndicate Player shall be entitled to receive a Ticket.
- (l) Each Syndicate Entry Share shall have the same Numbers as the Syndicate Entry nominated by the Agent pursuant to Rule 19(e).
- (m) An Agent may cancel a Ticket in respect of a Syndicate Entry Share sold by the Agent provided such cancellation takes place on the day the Syndicate Entry Share was purchased and prior to the Drawing, and provided at least one (1) Syndicate Entry Share remains unsold in respect of the relevant Syndicate Entry. (review with Rule 6(g))
- (n) A Syndicate Entry Share may not be purchased by post from the Licensee.

## SCHEDULE 1

## COMMISSION PAYABLE FOR OZ LOTTO - PURSUANT TO RULE 7

<b>Entry Type</b>	<b>No. of Games</b>	<b>Single Entry</b>
Standard	1 Game	\$0.10
	2 Games	\$0.20
	3 Games	\$0.25
	4 Games	\$0.30
	5 Games	\$0.35
	6 Games	\$0.40
	7 Games	\$0.45
	8 Games	\$0.50
	9 Games	\$0.55
	10 Games	\$0.60
	11 Games	\$0.65
	12 Games	\$0.70
	13 Games	\$0.75
	14 Games	\$0.80
	15 Games	\$0.85
16 Games	\$0.90	
17 Games	\$0.95	
18 Games	\$1.00	
24 Games	\$1.30	
<b>Entry Type</b>	<b>System</b>	<b>Single Entry</b>
System – Per Panel		
	8	\$0.55
	9	\$2.20
	10	\$6.00
	11	\$16.50
	12	\$40.00
	13	\$84.00
	14	\$172.00
	15	\$325.00
	16	\$572.00
17	\$972.00	
18	\$1596.00	

<b>Entry Type</b>	<b>2 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	1 Game	\$0.15
	2 Games	\$0.30
	3 Games	\$0.35
	4 Games	\$0.40
	5 Games	\$0.50
	6 Games	\$0.55
	7 Games	\$0.60
	8 Games	\$0.65
	9 Games	\$0.75
	10 Games	\$0.85
	11 Games	\$0.90
	12 Games	\$1.00
	13 Games	\$1.10
	14 Games	\$1.20
	15 Games	\$1.25
	16 Games	\$1.30
	17 Games	\$1.35
	18 Games	\$1.45
	24 Games	\$1.85

<b>Entry Type</b>	<b>5 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	1 Game	\$0.25
	2 Games	\$0.50
	3 Games	\$0.65
	4 Games	\$0.75
	5 Games	\$0.90
	6 Games	\$1.00
	7 Games	\$1.15
	8 Games	\$1.25
	9 Games	\$1.40
	10 Games	\$1.50
	11 Games	\$1.65
	12 Games	\$1.75
	13 Games	\$1.90
	14 Games	\$2.10
	15 Games	\$2.20
	16 Games	\$2.40
17 Games	\$2.60	
18 Games	\$2.80	
24 Games	\$3.50	

<b>Entry Type</b>	<b>10 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	1 Game	\$0.50
	2 Games	\$1.00
	3 Games	\$1.30
	4 Games	\$1.50
	5 Games	\$1.80
	6 Games	\$2.00
	7 Games	\$2.30
	8 Games	\$2.50
	9 Games	\$2.80
	10 Games	\$3.00
	11 Games	\$3.30
	12 Games	\$3.50
	13 Games	\$3.90
	14 Games	\$4.20
	15 Games	\$4.50
16 Games	\$4.90	
17 Games	\$5.20	
18 Games	\$5.40	
24 Games	\$7.00	

<b>Entry Type</b>	<b>25 Week Period</b>	<b>Single Entry</b>
Multi-Week Standard	1 Game	\$1.20
	2 Games	\$1.50
	3 Games	\$1.95
	4 Games	\$2.25
	5 Games	\$2.70
	6 Games	\$3.00
	7 Games	\$3.45
	8 Games	\$3.75
	9 Games	\$4.20
	10 Games	\$4.50
	11 Games	\$4.95
	12 Games	\$5.25
	13 Games	\$5.65
	14 Games	\$6.05
	15 Games	\$6.45
	16 Games	\$6.90
17 Games	\$7.30	
18 Games	\$7.70	
24 Games	\$9.80	



<b>Entry Type</b>	<b>Period</b>	<b>Single Entry</b>
System 8 – Per Panel	2 Weeks	\$0.80
	5 Weeks	\$1.60
	10 Weeks	\$3.20
	25 Weeks	\$6.40
System 9 – Per Panel	2 Weeks	\$3.20
	5 Weeks	\$6.40
	10 Weeks	\$12.80
	25 Weeks	\$25.60
System 10 – Per Panel	2 Weeks	\$8.00
	5 Weeks	\$14.00
	10 Weeks	\$28.00
	25 Weeks	\$56.00
System 11 – Per Panel	2 Weeks	\$18.00
	5 Weeks	\$26.00
	10 Weeks	\$52.00
	25 Weeks	\$104.00
System 12 – Per Panel	2 Weeks	\$42.00
	5 Weeks	\$60.00
	10 Weeks	\$96.00
	25 Weeks	\$192.00
System 13 – Per Panel	2 Weeks	\$100.00
	5 Weeks	\$150.00
	10 Weeks	\$204.00
	25 Weeks	\$408.00

System 14 – Per Panel	2 Weeks	\$200.00
	5 Weeks	\$240.00
	10 Weeks	\$400.00
	25 Weeks	\$800.00
System 15 – Per Panel	2 Weeks	\$400.00
	5 Weeks	\$600.00
	10 Weeks	\$720.00
	25 Weeks	\$1,440.00
System 16 – Per Panel	2 Weeks	\$700.00
	5 Weeks	\$900.00
	10 Weeks	\$1,200.00
	25 Weeks	\$2,400.00
System 17 – Per Panel	2 Weeks	\$1100.00
	5 Weeks	\$1400.00
	10 Weeks	\$2,000.00
	25 Weeks	\$4,000.00
System 18 – Per Panel	2 Weeks	\$1800.00
	5 Weeks	\$2600.00
	10 Weeks	\$3,600.00
	25 Weeks	\$7,200.00

## SCHEDULE 2

## COMMISSION &amp; SUBSCRIPTION PAYABLE FOR OZ LOTTO GAMES

Column 1 ENTRY	Column 2 ENTRY FEE	Column 3 SYNDICATE ENTRY	Column 4 SYNDICATE ENTRY SHARE	Column 5 SYNDICATE SHARE FEE PER PANEL (Cost per Share)
System 10	\$126.00	System 10	5	\$25.20
System 10	\$126.00	System 10	10	\$12.60
System 10	\$126.00	System 10	15	\$8.40
System 10	\$126.00	System 10	30	\$4.20
System 11	\$346.50	System 11	5	\$69.30
System 11	\$346.50	System 11	10	\$34.65
System 11	\$346.50	System 11	15	\$23.10
System 11	\$346.50	System 11	30	\$11.55
System 11	\$346.50	System 11	33	\$10.50
System 12	\$832.00	System 12	5	\$166.40
System 12	\$832.00	System 12	10	\$83.20
System 12	\$832.00	System 12	16	\$52.00
System 12	\$832.00	System 12	20	\$41.60
System 12	\$832.00	System 12	32	\$26.00
System 12	\$832.00	System 12	40	\$20.80
System 12	\$832.00	System 12	80	\$10.40
System 13	\$1800.00	System 13	5	\$360.00
System 13	\$1800.00	System 13	10	\$180.00
System 13	\$1800.00	System 13	20	\$90.00
System 13	\$1800.00	System 13	30	\$60.00
System 13	\$1800.00	System 13	40	\$45.00
System 13	\$1800.00	System 13	50	\$36.00
System 13	\$1800.00	System 13	60	\$30.00
System 13	\$1800.00	System 13	100	\$18.00
System 14	\$3604.00	System 14	5	\$720.80
System 14	\$3604.00	System 14	10	\$360.40
System 14	\$3604.00	System 14	20	\$180.20
System 14	\$3604.00	System 14	40	\$90.10
System 14	\$3604.00	System 14	80	\$45.05
System 15	\$6760.00	System 15	5	\$1352.00
System 15	\$6760.00	System 15	10	\$676.00
System 15	\$6760.00	System 15	20	\$338.00
System 15	\$6760.00	System 15	50	\$135.20
System 15	\$6760.00	System 15	52	\$130.00

System 15	\$6760.00	System 15	100	\$67.60
System 16	\$12012.00	System 16	5	\$2402.40
System 16	\$12012.00	System 16	10	\$1201.20
System 16	\$12012.00	System 16	20	\$600.60
System 16	\$12012.00	System 16	40	\$300.30
System 16	\$12012.00	System 16	44	\$273.00
System 16	\$12012.00	System 16	88	\$136.50
System 16	\$12012.00	System 16	176	\$68.25
System 17	\$20420.00	System 17	5	\$4084.00
System 17	\$20420.00	System 17	10	\$2042.00
System 17	\$20420.00	System 17	20	\$1021.00
System 17	\$20420.00	System 17	40	\$510.50
System 17	\$20420.00	System 17	50	\$408.40
System 17	\$20420.00	System 17	100	\$204.20
System 17	\$20420.00	System 17	200	\$102.10
System 18	\$33420.00	System 18	5	\$6684.00
System 18	\$33420.00	System 18	10	\$3342.00
System 18	\$33420.00	System 18	20	\$1671.00
System 18	\$33420.00	System 18	50	\$668.40
System 18	\$33420.00	System 18	100	\$334.20
System 18	\$33420.00	System 18	200	\$167.10
System 18	\$33420.00	System 18	300	\$111.40

**PUBLIC LOTTERIES ACT 1996****SOCCER FOOTBALL POOLS - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Soccer Football Pools and Games of Promotional Soccer Football Pools by the New South Wales Lotteries Corporation effective from 2 July 2009.


Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****SOCCER FOOTBALL POOLS RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of the Game of Pools and Promotional Pools. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1 DEFINITIONS**


- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Game of Pools) and Subscriptions for Games of Pools;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Games of Pools conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of Games of Pools;
  - (v) "Approved" means approved in writing by the Minister;
  - (vi) "Ancillary Fee" means a fee which the Chief Executive Officer of the Licensee may from time to time authorise a Direct mail Agent to charge a Player or Syndicate Player from whom a Direct Mail Agent accepts a subscription;
  - (vii) "Automatic Entry" means an Entry or Syndicate Entry in respect of a Game of Pools made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) wherein the selection of Numbers is made by way of Computer Linked Terminal;  
(1)
  - (viii) "Away Team" means the team named as printed on the right hand column of the List of Matches and "Away Win" or "Win for Away Team" shall mean a result where the team so printed has or is taken to have scored more goals in the Match than the team printed to the left of it;
  - (ix) "Bounded Area" means the area indicated as such by the symbols  or " " on the relevant Entry Form containing Numbers;
  - (x) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);

- (xi) "Commission" means the amounts which the Licensee is Approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry or Syndicate Entry but which does not include a charge determined in accordance with Condition 15 (c) of the Licence;
- (xii) "Competition Date" means the date or dates fixed for the playing of the Matches the subject of a Game of Pools;
- (xiii) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of business of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Games of Pools or Games of Promotional Pools;
- (xiv) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player or Syndicate Player and in respect of details of:
- (1) a Player's Entry in a Game of Pools;
  - (2) a Syndicate Entry;
  - (3) a Syndicate Player's Syndicate Entry Share in a Game of Pools; and
  - (4) where appropriate a Player's entry in a Game of Promotional Pools
- and which is retained or recorded on magnetic tape or otherwise stored;
- (xv) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Game of Pools and instructions with respect to a Game of Promotional Pools from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xvi) "Director" means a Director of the Board of Directors of the Licensee;
- (xvii) "Drawing" is where Winning Match Number/s and/or the Supplementary Match Number are determined by a Drawing Device;
- (xviii) "Drawing Device" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xix) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;

- (xx) "Entry" means the Numbers in a Game of Pools which have been recorded in the central processing computer equipment, which have been selected by way of an Entry Form or Automatic Entry, which (subject to Rule 6(i) have been Imprinted on the same numbered line on a Ticket and in respect of which the correct Subscription or Syndicate Share Fee, as the case may be, has been paid;
- (xxi) "Entry Form" means the approved form to be completed by a Player or a Syndicate Player wishing to use this form of entry to enter a Game of Pools and/or a Game of Promotional Pools;
- (xxii) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Games of Pools remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) Where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawings.
- (xxiii) "Fee" means the sum of the Commission and Subscription;
- (xxiv) "Game of Pools" means a competition styled as "Pools" conducted under the Act but does not include Games of Promotional Pools;
- (xxv) "Game of Promotional Pools" means a public lottery conducted for the purpose of promoting a Game of Pools, and in respect of which:
- (1) eligibility to enter is confined to Players and Syndicate Players in a Game of Pools; and
  - (2) no further Subscription, Commission or Syndicate Share Fee is charged;
- (xxvi) "Home Team" means the team named as printed on the left hand column of the List of Matches and "Home Win" or "Win for Home Team" shall mean a result where the team so printed has or is taken to have scored more goals in the Match than the team printed to the right of it;
- (xxvii) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;
- (xxviii) "Jackpot Competition" means the Game of Pools conducted on the seventh day, or such other day as the Minister may direct, after a Game of Pools (other than a Second Drawing), including a Jackpot Competition, in which no Ticket is eligible for a Prize under Rule 12(e) Division 1(i);
- (xxix) "Licence" means the licence granted to New South Wales Lotteries



Corporation pursuant to section 12 of the Act;

- (xxx) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xxxix) "List of Matches" means a listing of Matches approved and published from time to time by the Licensee;
- (xxxii) "Mark" means the drawing of a vertical line "I" within a Bounded Area  or a cross "X" within a Bounded Area " " in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;
- (xxxiii) "Match" means a game of soccer played between a Home Team and an Away Team;
- (xxxiv) "Minister" means the Minister for the time being administering the Act;
- (xxxv) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one Drawing;
- (xxxvi) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;
- (xxxvii) "Multi-Week Entry " means the Entry referred to in Rule 10;
- (xxxviii) "Numbers" has the same meaning as section 5 of the Act;
- (xxxix) "Panel" means a separate matrix containing the Numbers from 1 to 38 in arithmetical sequence;
- (xl) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct Games of Pools under a corresponding law;
- (xli) "Player" means a person who;
  1. has paid the correct Subscription for a valid Entry; and
  2. holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and

includes where relevant a person who has validly entered a Game of Promotional Pools and who holds, bears and submits a ticket in the Game of Promotional Pools to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (xlii) "Prize" means any Prize determined in accordance with Rule 12;
- (xliii) "Prize Fund" means an account established under section 27 of the Act and known as the Pools Prize Fund Account;
- (xliv) "Prize Pool" means the amount allocated for the payment of Prizes being not less than forty five percent (45%) of all Subscriptions

received for a particular Game of Pools;

- (xlv) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xlvi) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the determination of the Winning Match Numbers and the Supplementary Match Number in respect of a Game of Pools, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xlvii) "Provisional Prize" is a Prize in Division 1 and/or a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xlviii) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xlix) "Registered Player" means a Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (l) "Registered Syndicate Player" means a Syndicate Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Syndicate Player;
- (li) "Results" means the outcome of Matches as declared by the Licensee. Result shall have a corresponding meaning;
- (lii) "Rules" means these Rules made under the Act, any amendment, modification, variation, or abrogation thereof for the time being in force;
- (liii) "Second Drawing" means an additional Drawing conducted as part of a Game of Pools in accordance with the Rules;
- (liv) "Standard Entry" means the Entry referred to in Rule 8;
- (lv) "Subscription" means the amounts Approved, excluding Commission, and any additional amount determined in accordance with the Licence, which a Player or Syndicate shall be charged for an Entry;
- (lvi) "Supplementary Match Number" in relation to a Game of Pools means the seventh highest ranked Number determined in accordance with Rule 6;
- (lvii) "Syndicate Entry" means an entry which is prescribed in:
  - (1) column 3 of Schedule 2

- (lviii) "Syndicate Entry Share" means a share of a Syndicate Entry which is prescribed in:
- (1) column 4 of Schedule 2
- (lix) "Syndicate Player" means a person who:
- (1) has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share; and
  - (2) holds, bears and submits a valid Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and includes a person who has validly entered a Game of Promotional Pools and who holds, bears and submits a ticket in the Game of Promotional Pools to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (lx) "Syndicate Share Fee" means the amount specified in:
- (1) column 5 of Schedule 2;
- (lxi) "Systems Entry" means an Entry referred to in Rule 9;
- (lxii) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has paid the correct Subscription for a valid Entry in a Game of Pools or that a Syndicate Player has paid the correct Syndicate Share Fee for a valid Syndicate Entry Share in a Game of Pools, and which:
- (1) contains Entry or Syndicate Entry Share details; and
  - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and
  - (3) may include other particulars such as determined by the Licensee;
- (lxiii) "Ticket Serial Number" means the numbers and/or letters Imprinted on a Ticket which constitute official verification of the valid issue of a Ticket;
- (lxiv) "Void Match" means a Match that is declared by the Licensee to be ineligible to be used in the determination of Winning Match Numbers or the Supplementary Match Number.
- (lxv) "Winning Match Numbers" in relation to a Game of Pools means the six highest ranked Numbers determined in accordance with Rule 6;

- (b) In these Rules unless inconsistent with the context:
  - (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2 CONDUCT OF GAMES OF POOLS AND GAMES OF PROMOTIONAL POOLS**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Game of Pools and Game of Promotional Pools.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players and Syndicate Players.
- (c) Winning Match Numbers and the Supplementary Match Number will be determined by the Licensee on the first working day following the determination of the Results.
- (d) Drawings conducted outside the State of New South Wales shall be conducted and supervised in accordance with the requirements of the relevant regulatory body for the State or Territory in which the Drawings are conducted.
- (e) The Licensee may conduct a Game of Promotional Pools in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Game of Promotional Pools in conjunction with another Game of Pools or separately from a Game of Pools or otherwise in conjunction with another lottery conducted by the Licensee.
- (f) A Game of Promotional Pools shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (g) The Prize structure for a Game of Promotional Pools shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players and Syndicate Players during the period of each Game of Promotional Pools.
- (h) During the period in which the Licensee accepts entries in a Game of Promotional Pools some of the Prizes in the approved Prize structure may already have been won when a Player or Syndicate Player enters the Game of Promotional Pools leaving the balance of Prizes still available to be won by Players and Syndicate Players at the time of their respective entries.
- (i) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players and Syndicate Players in a Game of Promotional Pools of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Game of Promotional Pools.
- (j) A ticket in a Game of Promotional Pools may include one or more Prizes to be won on the same ticket.

- (k) A Game of Promotional Pools may require the Player or Syndicate Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3 APPLICATION OF RULES**

- (a) All instructions and conditions printed on Entry Forms and Tickets and these Rules shall apply to each Game of Pools and shall be binding on all Players and Syndicate Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on Entry Forms and Tickets these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Game of Promotional Pools and shall be binding on all Players and Syndicate Players.
- (d) By entering a Game of Pools or a Game of Promotional Pools Players and Syndicate Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

### **RULE 4 OBJECT**

The object of the Game of Pools is to select six (6) Numbers in a Panel, which Numbers are the same as the Winning Match Numbers.

### **RULE 5 ELIGIBILITY FOR INCLUSION IN A GAME OF POOLS**

- (a) In order for an Entry or Syndicate Entry Share to be eligible for inclusion in a Game of Pools, before the drawing of that Game of Pools;
- (i) the Entry or Syndicate Entry Share must have been recorded by the central processing computer equipment;
- (ii) a valid Ticket must have issued by the Computer Linked Terminal;
- (iii) the Entry or a Syndicate Entry Share details recorded on such Ticket issued under Rule 5(a)(ii) must match details held by the Licensee by way of Computer Records; and
- (iv) the Player or Syndicate Player must have paid the Subscription or Syndicate Share Fee as the case may be in relation to such Entry or

Syndicate Entry Share.

- (b) Any ticket issued shall be subject to rule 6(g) hereof.

**RULE 6            RULES APPLYING TO ENTRY FORMS AND TICKETS**

- (a) An Entry Form shall consist of Panels which must be completed in the numerical order shown on the said form. A Player or Syndicate Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player or Syndicate Player claiming a resultant Prize may not be entitled to payment of the Prize.
- (b) Each Number in a Panel shall represent the Match printed opposite the same number on the List of Matches (subject to Rule 6(e)) notwithstanding that there are fewer Numbers than appear on the List of Matches.
- (c) The List of Matches will be published as soon as possible after being approved by the Licensee and will be made available to Players on request.
- (d) Subject to Rules 6(e) and 6(f), to determine the Winning Match Numbers and the Supplementary Match Number the Matches represented by the Numbers in a Panel will be taken to have an order of rank depending on the Results of those Matches in accordance with (i), (ii), (iii), (iv) and (v) herein (but having regard to (vi) and (vii) herein) and for the purposes of Rule 12(e) the six highest ranked Numbers shall be the Winning Match Numbers and the seventh highest ranked Number shall be the Supplementary Match Number.
- (i) Score Draw – Numbers representing Matches where the Result is a Score Draw will be ranked higher than any other Number and a Number representing a Match where the Result is a Score Draw wherein more goals are scored will be ranked higher than a Number representing a Match where the Result is a Score Draw wherein fewer goals are scored.
- (ii) Nil Score Draw (no goals scored) – Numbers representing Matches with Nil Score Draws will be ranked equally and such Numbers shall be ranked higher than Numbers representing Matches where the Result is an Away Win or a Home Win.
- (iii) Win for Away Team – Numbers representing Matches where the Result is a Win for the Away Team shall be ranked higher than Numbers representing Matches where the Result is a Win for a Home Team. Numbers representing Matches where the Result is an Away Win with a smaller goal difference shall be ranked higher than Numbers representing Matches where the Result is an Away Win with a greater goal difference. Where there are two or more Numbers representing Matches where the Results are Away Wins with the same goal difference Numbers representing matches where the Results are Away Wins wherein more goals are scored shall be ranked higher than Numbers representing Matches where the Results are Away Wins wherein fewer goals are scored.
- (iv) Win for Home Team – Numbers representing Matches where the Result is a Win for the Home Team with a smaller goal difference shall be ranked higher than Numbers representing Matches where

the Result is a Win for Home Team with a greater goal difference. Where there are two or more Numbers representing Matches where the Results are Home Wins with the same goal difference Numbers representing Matches where the Results are Home Wins wherein more goals are scored shall be ranked higher than Numbers representing Matches where the Results are Home Wins wherein fewer goals are scored.

- (v) In the event that two or more Numbers in a Panel are or are taken to be of equal rank in accordance with Rule 6(d)(i), (ii), (iii) or (iv) and subject to Rule 6(e) and 6(f) any such Number with a greater magnitude shall be ranked higher than any such Number with a lesser magnitude.
  - (vi) A reference in Rules 6(d)(i), (iii) and (iv) to "more goals" or "fewer goals" refers to the total number of goals scored by both the Away Team and the Home Team in a Match.
  - (vii) If there are insufficient Results in accordance with Rule 6(d)(i) to determine the Winning Match Numbers and the Supplementary Match Number, then the Results in accordance with Rule 6(d)(ii) shall be taken into account and if still insufficient then the Results in accordance with rule 6(d)(iii) shall be taken into account and if still insufficient then the Results in accordance with rule 6(d)(iv) shall be taken into account.
- (e) In the event that any Number in a Panel represents a Void Match the Result of such Void Match will be taken to be the Result of the first Number (not representing a Void Match) on the List of Matches from number 39 and onwards and the second such Void Match will be deemed to be the Result of the second Number (not representing a Void Match) on the List of Matches from number 39 onwards and so on in ascending numerical sequence for each such Void Match.
- (f) Where there is insufficient Results in accordance with Rule 6 (d) to determine all Winning Match Numbers and/or the Supplementary Match Number, such Winning Match Number/s and/or Supplementary Match Number shall be determined by a Drawing.
- (g) A completed Entry Form or any other approved form of Entry (including Automatic Entry) completed or made in accordance with these Rules shall be accepted by an Agent or Direct Mail Agent and processed on a Computer Linked Terminal and evidenced by the issue of a Ticket. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Entry Form or other approved form of Entry at the time of presentation to the Agent for processing.
- (h) Subject to paragraph (j) below acceptance of a Ticket by a Player or Syndicate Player shall constitute the Player's or Syndicate Player's acknowledgment of the correctness of the details (including Entry or Syndicate Entry Share details) thereon. The Ticket issued to a Player or Syndicate Player shall be the only form issued by the Licensee or its Agent or Direct Mail Agent to the Player or Syndicate Player evidencing the Player's or Syndicate Player's Entry or Syndicate Player's Syndicate Entry Share, as the case may be. It is the responsibility of the Player or Syndicate Player to check the accuracy of all details on the Ticket at the time it is received by a Player or Syndicate Player



from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player or Syndicate Player from the Agent.

- (i) In the event that the details recorded on a Player's or Syndicate Player's Ticket are not consistent with the details held by the Licensee by way of Computer Records then the latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player or Syndicate Player shall be entitled to and the Player or Syndicate Player shall be bound by any such determination.
- (j) Subject to Rule 19(f), a Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the Drawing of the Game of Pools entered.
- (k) An Agent who has sold a Ticket may cancel a Ticket, with the approval of the Licensee, on the day of purchase of the Ticket, prior to the Drawing of the Game of Pools entered. When a Ticket has been cancelled by an Agent, the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (l) The Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the Drawing of the Game of Pools entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player or Syndicate Player shall be refunded the Subscription or Syndicate Share Fee, as the case may be, paid in respect of such Ticket. A cancelled Ticket shall be void and no prize shall be payable by the Licensee in respect of such Ticket.
- (m) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket.
- (n) Where Numbers in a Game of Pools have been transferred to the central processing computer equipment via a Computer Linked Terminal and recorded on the Computer Records but:
  - (i) no Subscription or Syndicate Entry Fee has been paid to the Agent in whose place of business the Computer Linked Terminal is located prior to the close of selling in respect of that Game of Pools by the Agent; and
  - (ii) such Agent has failed to cancel the Numbers before the completion of that Game of Pools; then



such Agent shall be liable for and shall meet the cost of the Subscription or Syndicate Share Fee, as the case may be, in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered:

- (iii) to have paid the Subscription or Syndicate Share Fee, as the case may be; and
  - (iv) shall be considered a Player or Syndicate Player as the case may be; and
  - (v) shall be the holder of the Entry or Syndicate Entry Share, as the case may be.
- (o) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are correct.
- (p) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Game of Pools by a Player with a Direct Mail Agent does not exempt the Player from being bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.
- (q) Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (r) A Ticket shall at all times remain the property of the Licensee and a Player or Syndicate Player shall deliver up any Ticket to the Licensee upon demand.

#### **RULE 7 COMMISSION**

The Licensee is Approved to charge a Player or Syndicate Commission in the amounts specified in Schedule 1 of these Rules. By entering a Game of Pools the Player accepts liability to pay the Commission to the Licensee. By entering a Game of Pools a Syndicate Player accepts liability to pay to the Licensee that part of the Commission payable in respect of a Syndicate Entry Share. The Subscriptions quoted in Rules 8, 9 and 10 exclude Commission.

#### **RULE 8 STANDARD ENTRY**

- (a) For a Standard Entry to be made six (6) Numbers shall have been Marked in each Panel completed for a Standard Entry.
- (b) No fewer than two (2) Panels must be completed for each Standard Entry. Additional Panels may be completed up to the total number of Panels shown on the Entry Form. Any additional Panels must be completed in multiples of two (2) in numerical order.
- (c) The Subscription for each Standard Entry shall be \$1.00 for two (2) Panels and \$1.00 for any two (2) additional Panels.

- (d) If more than six (6) Numbers in a Panel are Marked for a Standard Entry which has been forwarded to the Licensee by post, the Licensee shall disregard the highest Numbers in descending arithmetical sequence until six (6) Marked Numbers remain.
- (e) If less than six (6) Numbers in a Panel are Marked for a Standard Entry which has been forwarded to the Licensee by post entry into a Game of Pools shall not take effect and the Licensee shall return the Standard Entry together with any Fees therewith to the Player.

## **RULE 9            SYSTEMS ENTRY**

- (a) A Systems Entry shall be made by selecting more than six (6) Numbers in a Panel; so that seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17), or eighteen (18) Numbers may be Marked in a Panel for a Systems Entry.
- (b) Only one (1) system may be selected for a Systems Entry by Marking the appropriate Bounded Area on the Systems Entry Form. That system shall apply to all Panels completed on that Entry Form.
- (c) Numbers on a Systems Entry Form shall be Marked in accordance with the system selected. In each Panel completed the following shall be Marked:
  - System 7 - seven (7) Numbers
  - System 8 - eight (8) Numbers
  - System 9 - nine (9) Numbers
  - System 10 - ten (10) Numbers
  - System 11 - eleven (11) Numbers
  - System 12 - twelve (12) Numbers
  - System 13 - thirteen (13) Numbers
  - System 14 - fourteen (14) Numbers
  - System 15 - fifteen (15) Numbers
  - System 16 - sixteen (16) Numbers
  - System 17 - seventeen (17) Numbers
  - System 18 - eighteen (18) Numbers
- (d) In respect of a Syndicate Entry:
  - (i) More than nine (9) Numbers shall be Marked in a Panel; so that ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17) or eighteen (18) Numbers shall be Marked in a Panel on a Systems Entry Form; and

- (ii) The appropriate Bounded Area shall be Marked on the Systems Entry Form to select the particular system; and
- (iii) Only one (1) system may be selected on a Systems Entry Form. That system shall apply to all Panels completed on that Systems Entry Form; and
- (iv) The Numbers on a Systems Entry Form shall be Marked in accordance with the system selected. In each Panel completed, the following shall be Marked:
- System 10 - ten (10) Numbers
- System 11 - eleven (11) Numbers
- System 12 - twelve (12) Numbers
- System 13 - thirteen (13) Numbers
- System 14 - fourteen (14) Numbers
- System 15 - fifteen (15) Numbers
- System 16 - sixteen (16) Numbers
- System 17 - seventeen (17) Numbers
- System 18 - eighteen (18) Numbers
- (e) Notwithstanding any other provision in the Rules, where a Mark on an Entry Form which has been forwarded to the Licensee by post has not been made in accordance with Rule 9(b), or where the Numbers Marked in any Panel are inconsistent with the system selected under Rule 9(d), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selections thereon in such a manner and having regard to such factors as the Chief Executive Officer determines appropriate. Thereafter such Systems Entry shall be included in that Game of Pools and any subsequent evaluation thereof for the purpose of determining the Player's entitlement to a Prize shall be made in accordance with the Chief Executive Officer's interpretation.
- (f) Any number of Panels up to the total number of Panels on the Entry Form may be completed.
- (g) The Subscriptions for a Systems Entry are:

<b>System Number</b>	<b>Equivalent Number of Standard Panels entered</b>	<b>Subscription \$</b>	<b>Number of Bounded Areas to be Marked in each Panel</b>
7	7	3.50	7
8	28	14.00	8

9	84	42.00	9
10	210	105.00	10
11	462	231.00	11
12	924	462.00	12
13	1716	858.00	13
14	3003	1,501.50	14
15	5005	2,502.50	15
16	8008	4,004.00	16
17	12376	6,188.00	17
18	18564	9,282.00	18

#### **RULE 10 MULTI-WEEK ENTRY**

- (a) A Multi-Week Entry may be made in any of the consecutive Games of Pools prescribed in Rule 10(d).
- (b) Either a Standard Entry or System 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18 Entry shall be selected by Marking the appropriate Bounded Area on the Entry Form.
- (c) Rule 8 shall apply where a Standard Entry is selected on a Multi-Week Entry. Rule 9 shall, insofar as it relates to a Multi-Week Entry apply only to Systems 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18.
- (d) A Multi-Week Entry may be submitted for entry in five (5), ten (10), twenty-five (25) or fifty (50) consecutive Games of Pools.
- (e) In a Multi-Week Entry, the number of consecutive Games of Pools to be entered shall be selected by Marking the appropriate Bounded Area.
- (f) If an Entry Form is forwarded to the Licensee by post with no Bounded Area Marked in accordance with Rule 10(e), the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selections thereon in such manner having regard to such factors as the Chief Executive Officer determines appropriate.
- (g) Subscriptions for a Multi-Week Entry are the total of Subscriptions that would have been payable for an Entry submitted in a Game of Pools multiplied by the number of consecutive Game of Pools in which the Entry is entered under Rules 10(e) or 10(f).

#### **RULE 11 SUBMISSION OF ENTRY FORMS**

- (a) The Licensee may impose a registration fee payable by a Player or Syndicate Player for the provision by the Licensee of the player registration service.

Application will be by way of an application form as approved by Chief Executive Officer.

- (b) A person under the age of eighteen (18) years shall not enter a Game of Pools or a Game of Promotional Pools.
- (c) An Entry Form may only be submitted through:
  - (i) an Agent; or
  - (ii) a Direct Mail Agent; or
  - (iii) except as provided in Rule 19(h), by post in accordance with paragraphs (i), (k) and (l) of this Rule provided that the Player is a Registered Player or becomes a Registered Player as a result of that entry.
- (d) An Entry Form or any other form of Entry or Syndicate Entry in respect of a Game of Pools submitted to an Agent or a Direct Mail Agent or the Licensee by a Player or Syndicate Player must be accompanied by the correct Fee or Syndicate Share Fee and player registration fee (if applicable).
- (e) The form of payment of the Fee or Syndicate Share Fee or player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (f)
  - (i) If anonymity is desired the Player or Syndicate Player should clearly so indicate on the appropriate Prize claim or indicate same when completing application to become a Registered Player or Registered Syndicate Player. Players or Syndicate Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's or Syndicate Player's name and address pursuant to the provisions of Rule 13(b) (iii) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.
  - (ii) All correspondence to the Chief Executive Officer in accordance with Rule 11(f)(i) should be addressed:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.
- (g) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player in respect of an Entry or the Syndicate Player in respect of a Syndicate Entry.
- (h) Where a Player submits an Entry Form or other form of Entry, or in the case of a Syndicate Entry, where a Syndicate Player purchases a Syndicate Entry Share, as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether

actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player or Syndicate Player.

- (i) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the closure of the Game of Pools relating to that entry. For the purpose of this paragraph an Entry or Syndicate Entry will be deemed to be received when details thereof have been recorded on the central processing computer equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.
- (j) Other than as provided for in Rules 6(j), 19(e) and 19(f), no Ticket may be withdrawn or altered after issue thereof to a Player or Syndicate Player without the consent of the Licensee.
- (k) A Player may post an Entry Form to the Licensee at the following address:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (l) An Entry sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said Entry will be entered by the Licensee in the next Game of Pools for which it has been received in time to be processed. The Licensee will process the form and post it and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (m) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may be paid by personal cheque only with the prior written agreement of the Chief Executive Officer.
- (n) Form of entry in a Game of Promotional Pools
  - (i) The Chief Executive Officer is to approve the form of entry for a Game of Promotional Pools;
  - (ii) Without limiting Rule 11 (n)(i), the form of entry in a Game of Promotional Pools may be any of the following (or combination of the following):
    - (1) part of a Ticket
    - (2) any other ticket or document;
    - (3) entries made by means of an electronic or mechanical device or

by telecommunications system.

- (iii) If any entry in a Game of Promotional Pools is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Game of Promotional Pools:
  - (1) constitutes the Player's or Syndicate Player's official receipt;
  - (2) is, following its acceptance, to constitute the Player's or Syndicate Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
  - (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Game of Promotional Pools.

## **RULE 12 DETERMINATION OF PRIZES**

- (a) Prizes for each Game of Pools shall be paid by the Licensee from the Prize Pool in the percentages specified in this Rule and shall be classified as Division 1, Division 2, Division 3, Division 4 and Division 5 Prizes.
- (b) Any such Prize shall, where only one (1) Entry or Syndicate Entry is eligible for that Prize, be payable in respect of that Entry or Syndicate Entry, or shall, where two (2) or more Entries and/or Syndicate Entries are eligible for that Prize, be payable shared equally between those Entries and/or Syndicate Entries.
- (c) Where a Syndicate Entry is eligible for a Prize, such Prize shall be divided by the number of Syndicate Entry Shares in the Syndicate Entry to determine the amount payable in respect of each Syndicate Entry Share.
- (d) Subject to Rule 12 (c), the amount payable in respect of a Syndicate Entry Share shall be rounded up to the nearest five (5) cents. Monies required for rounding up shall be drawn from the Prize Reserve Fund.
- (e) Unless otherwise Approved, the Prize Pool will be distributed in the following indicative percentages that may be varied up or down by the Licensee by a maximum of five (5) percentage points provided the resultant allocation is no lower than half the indicative percentage specified. The Prize Pool distribution for other than the Division 1 Prize Pool shall be subject to a rounding off process (which shall be to the nearest sum containing a five (5) cent multiple). Monies required for rounding up shall be drawn from the Division 1 Prize Pool. Where a rounding down process has occurred, the excess monies shall be paid into the Division 1 Prize Pool.

Division 1:

- (i) A Prize of an amount equal to 65% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Match Numbers.
- (ii) If no Prize in this Division is payable in respect of any Entry or Syndicate Entry, an amount equal to 65% shall be retained in the Prize Fund so as to form part of the monies payable in respect of any



Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Match Numbers in the Jackpot Competition

Division 2:

A Prize of an amount equal to 2% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but not more than five (5) of the six (6) Winning Match Numbers together with the Supplementary Match Number.

Division 3:

A Prize of an amount equal to 6% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains five (5) but no more than (5) of the six (6) Winning Match Numbers.

Division 4:

A Prize of an amount equal to 15% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains four (4) but not more than four (4) of the six (6) Winning Match Numbers.

Division 5:

A Prize of an amount equal to 12% shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains three (3) but no more than three (3) of the six (6) Winning Match Numbers together with the Supplementary Match Number.

(f) If any Prize in a Division payable pursuant to Rule 12(e) is less than any Prize payable in any lower ranked Division the amounts allocated to such Division and the amount allocated to all lower ranked Divisions shall be aggregated and shall be shared equally between all the Entries and/or Syndicate Entries each of which contains the appropriate number of Winning Match Numbers (including Supplementary Match Number if relevant) for such Divisions.

(g) If any Prize computed in accordance with Rule 12(e) (and after any application of Rule 12(f)) is less than \$1.00 then the Prize which would otherwise be payable shall be increased so that the amount is \$1.00.

(i) Second Drawing

The Licensee may, subject to the Approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Game of Pools, provided that:

(i) the Second Drawing shall be conducted following the determination of the Winning Numbers;



- (ii) an Entry or Syndicate Entry made in respect of a Game of Pools shall be automatically entered into the Second Drawing in respect of that Game of Pools and such entry shall not require the payment of any further Subscription;
  - (iii) the Prize or Prizes payable in relation to the Second Drawing shall be payable in respect of any Entry or Syndicate Entry which, or shall be shared equally between any two (2) or more Entries and/or Syndicate Entries each of which, contains all the Winning Numbers;
  - (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
  - (v) the Second Drawing shall not involve the drawing of any Supplementary Numbers; and
  - (vi) the Second Drawing shall not constitute a separate Game of Pools but shall be part of the normal weekly competition.
- (h) A Game of Pools may include an additional Prize or Prizes, Prizes paid on special occasions or pursuant to Rule 12(k) (as Approved by the Minister from time to time). Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.
- (j) Prizes in a Game of Promotional Pools
- (i) The Prizes payable in a Game of Promotional Pools may consist of one or more of the following:
    - (1) money;
    - (2) holidays;
    - (3) travel;
    - (4) accommodation;
    - (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
    - (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.
  - (ii) A Prize in a Game of Promotional Pools must not consist of or include tobacco.
  - (iii) A Prize in a Game of Promotional Pools must not consist of or include liquor within the meaning of the Liquor Act 1982.
- (k) Determination of Prizes in a Game of Promotional Pools
- (i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Game of Promotional Pools.

- (ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Game of Promotional Pools conducted by it.
- (iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Game of Promotional Pools, including (but not limited to) the following:
  - (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
  - (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
  - (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
  - (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
  - (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.
- (iv) The Prizes in a Game of Promotional Pools are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Game of Promotional Pools.

**RULE 13            ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE-WINNERS**

- (a) Following determination of the Winning Match Numbers and Supplementary Match Number in respect of a Game of Pools the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after such determination:
  - (i) the Winning Match Numbers and the Supplementary Match Number;
  - (ii) the amount of the Prize Pool allocated to each Division;
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners; and
  - (iv) the value of Prizes and the number of Prize-winners in respect of Division 2, Division 3, Division 4 and Division 5.
- (b) Following determination of the Winning Match Numbers and Supplementary Match Number in respect of each Game of Pools the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after such determination:
  - (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 11(f)(i) or where Provisional Prize Winners are not Registered Players or Registered

Syndicate Players;

- (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 14(a), 14(b), 14(i) and 14(k) must be made.
- (c) Where appropriate the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Game of Promotional Pools as soon as possible after the completion of such Game of Promotional Pools.
- (d) The Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Second Drawing as soon as possible after the completion of that Second Drawing.

**RULE 14 PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES AND PROVISIONAL PRIZES**

- (a)
- (i) Other than as provided for Registered Players, or Registered Syndicate Players, any Provisional Prize (or in the case of a Syndicate Entry, a share of any Provisional Prize) must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with this Rule 14(a)(i) is the day of receipt by the Licensee.
- (b) A Registered Player winning a Provisional Prize (or, in the case of a Syndicate Entry, a Registered Syndicate Player winning a share of a Provisional Prize) in a Game of Pools which exceeds \$10,000 will be notified personally or by mail within five (5) days after completion of that Game of Pools. In respect of any Provisional Prize won by a Registered Player (or in the case of a Syndicate Entry, any share of a Provisional Prize won by a Registered Syndicate Player) the Chief Executive Officer may require that Registered Player or Registered Syndicate Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 14(l) hereof;
- (c) Where a Registered Player or Registered Syndicate Player has been requested to claim the Prize in accordance with Rule 14(b) the Prize may be paid in accordance with the procedure and conditions set out in Rule 14(d) hereof.
- (d) A Provisional Prize or Share of a Provisional Prize shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer;
- (e) For Registered Players, any Prize (or in the case of a Registered Syndicate Player, any share of a Prize) in respect of a Game of Pools not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal not earlier than the day immediately after, and not later than eight (8) weeks after, the

completion of that Game of Pools. Prizes not so claimed will be paid by the Licensee by cheque or at the discretion of the Licensee by electronic funds transfer after the expiry of eight (8) weeks after the completion of that Game of Pools; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted therefrom;

- (f) For a Player or Syndicate Player who is not a Registered Player or Registered Syndicate Player, any Prize (or in the case of a Registered Syndicate Player, any share of a Prize) not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player or Syndicate Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period of not less than eight (8) weeks;
- (g) Subject to Rules 14(a), 14(b), 14(c), 14 (d) and 14(e) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings;
- (h) A Prize or, in the case of a Syndicate Entry, a share of a Prize, not paid by an Agent in accordance with Rule 14(f) will be paid by the Licensee by cheque or, at the discretion of the Licensee by electronic funds transfer, upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require. A sum representing the cost of processing as approved by the Chief Executive Officer will be deducted from the Prize or share of a Prize so paid;
- (i) A:
  - (i) Registered Player or Registered Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) pursuant to Rule 14(b) and who has not been notified within five (5) days in accordance with Rule 14(b) and/or whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal; or
  - (ii) Player or Syndicate Player who claims to be entitled to a Provisional Prize (or in the case of a Syndicate Entry a share of a Provisional Prize) and whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal;

must claim by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 14(l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after completion of the relevant Game of Pools, starting on the day immediately following the completion of that Game of Pools.

A claim not received in accordance with this Rule 14 (i) will be rejected and the Licensee shall have no liability in relation thereto;

- (j) The Entry or Syndicate Entry subject of a claim for a Provisional Prize made in accordance with Rule 14(i) shall be entitled to that Provisional Prize if it is found by the Licensee to be a winning Entry or winning Syndicate Entry before the expiry of the Provisional Period, and in such case the Provisional Prize

amount shall be varied to take into account the new Provisional Prize Winner;

- (k) A:
- (i) Player or Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
  - (ii) Registered Player or Registered Syndicate Player who claims to be entitled to a Prize or share of a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal and/or where the Prize has not has not been paid in accordance with Rule 14(e);

must lodge a Prize claim form containing or accompanied by the particulars set out in Rule 14(l);

- (l) The particulars required in accordance with Rules 14(a), 14(b), 14(i), and 14(k) are:
- (i) the name and address of the Player or Syndicate Player;
  - (ii) the Ticket Serial Number;
  - (iii) the Numbers included on the relevant numbered line on the Ticket;
  - (iv) the Player's or Syndicate Player's registration number if a Registered Player or Registered Syndicate Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires;
- (m) Notwithstanding the provisions of this Rule 14 if an Entry or Syndicate Entry which would otherwise have been entitled to a Prize or share of a Prize not exceeding \$1000.00 is discovered after payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player or Syndicate Player the same Prize or share of a Prize as is being paid to winning Players or winning Syndicate Players or such other Prize amount or Share of a Prize amount as determined by the Chief Executive Officer;
- (n) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize (or in the case of a Syndicate Entry a share of a Prize or a Provisional Prize) to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is the Player entitled to that Prize or Provisional Prize (or, in the case of a Syndicate Entry, is the Syndicate Player entitled to a share of that Prize or Provisional Prize). Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player or Syndicate Player may fail to meet one or more of the elements (1) or (2) contained in Rules 1(xli) or 1(lxi) or may fail to meet some or all of the provisions contained in these Rules governing Prize entitlement;

- (o) All cheques will be crossed and marked "Not Negotiable" and will be drawn in favour of the Player or Syndicate Player in accordance with these Rules;
- (p) Subject to Rule 14(i), at any time before the payment of Prizes the Chief Executive Officer may correct an error made in determining the number of Entries or Syndicate Entries entitled thereto or the amount thereof;
- (q) The payment of a Prize or share of a Prize to any Players or Syndicate Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;
- (r) Subject to section 27 of the Act, all unclaimed or uncollected Prizes or shares of Prizes shall be retained in the Prize Fund for payment to the Players or Syndicate Players entitled thereto;
- (s) Remittances for payments of Prizes or shares of Prizes may include all Prizes or shares of Prizes won on the same Ticket;
- (t) Where payment by the Licensee of a Prize or share of a Prize is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
  - (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player or Syndicate Player;
- (u) Where payment of a Prize or share of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player or Registered Syndicate Player, to the name and address appearing on the Licensee's records relating to that Player or Syndicate Player.

Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same;
- (v) Any Prize or share of a Prize sent by the Licensee to a Player or Syndicate Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player or Syndicate Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability;
- (w) The payment of all Prizes or shares of Prizes pursuant to this Rule 14 will discharge the Licensee from liability notwithstanding the existence of any trust, whether express, constructive or implied. Where the Licensee has paid a Player or Syndicate Player pursuant to this Rule 14 and the Chief Executive Officer is, after such payment has been made, of the view that the Player or Syndicate Player was not the Player or Syndicate Player to whom such payment should have been made the Player or Syndicate Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her;



- (x) A Prize or share of a Prize may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize or a share of a Prize may be forwarded by an Agent to the Licensee at the request of a Player or the Player may forward the Prize claim form to the Licensee direct.

- (y) Any Prize or share of a Prize to be paid in accordance with Rule 12 (j) or Rule 12 (k) shall be forwarded to the winners thereof in such manner as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct.
- (z) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (aa) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (ab) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.
- (ac) Payment of Prizes in a Game of Promotional Pools
- (i) A Prize is not payable in a Game of Promotional Pools unless:
- (1) the entry submitted in a Game of Promotional Pools is in the form determined by the Chief Executive Officer under Rule 11(n)(i); and
  - (2) if the form of entry requires the Player or Syndicate Player to have purchased a Ticket in a Game of Pools, the Ticket in the Game of Pools must satisfy any test used by Chief Executive Officer to determine whether the Ticket in the Game of Pools is valid,
- and the claimant has complied with all conditions relating to the Game of Promotional Pools advertised under Rule 12(k)(ii).
- (ii) The Licensee may record on an entry in a Game of Promotional Pools a verification code or other test and use it to determine whether the entry in a Game of Promotional Pools is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Game of Promotional Pools, on which such a test is recorded, if the entry does not satisfy the test.

## **RULE 15 DISQUALIFICATIONS**

- (a) Notwithstanding that:

- (i) a Ticket may have been issued; or
- (ii) a Drawing has occurred in respect of a Ticket;

an Entry or a Syndicate Entry Share in a Game of Pools or entry in a Game of Promotional Pools may be disqualified and no Prize claim shall be made in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified. Any Ticket having issued in respect of an Entry or a Syndicate Entry Share in a Game of Pools which is disqualified shall automatically be void and cancelled.

- (b) The reasons for disqualification may include but are not limited to:
  - (i) tender of insufficient Fee or, in the case of a Syndicate Entry Share, insufficient Syndicate Share Fee, a dishonoured cheque or if the form of remittance is not acceptable;
  - (ii) the Player or Syndicate Player has defaulted in payment of any previous Fee or Syndicate Share Fee;
  - (iii) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
  - (iv) Ticket fails any security tests of the Licensee;
  - (v) reasonable suspicion of unauthorised use of a Computer Linked Terminal; or
  - (vi) a malfunction occurring in respect of the Computer Linked Terminal or the licensee's central processing equipment; or
  - (vii) any other breach of these Rules which justifies disqualification.
- (c) The Licensee shall use its best endeavours to notify a Player or Syndicate Player, whose name and address is known to the Licensee, that an Entry or Syndicate Entry has been disqualified and the reason therefore and the Licensee shall in respect thereof refund to the Player any Subscription paid or to the Syndicate Player any Syndicate Share Fee paid less that part of the Syndicate Share Fee that represents the relevant proportion of Commission. Where the Licensee does not know of the name and address of a Player or Syndicate Player, the Licensee shall publicise, in a manner determined by the Chief Executive Officer, the disqualification of such Entry or Syndicate Entry Share.

#### **RULE 16            LIMITATION OF LIABILITY**

- (a) By entering a Game of Pools or a Game of Promotional Pools a Player or Syndicate Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or Syndicate Player or any other person by reason of the loss or destruction of a



Ticket or a ticket in a Game of Promotional Pools for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription (or in the case of a Syndicate Entry that part of the Syndicate Share Fee that represents the relevant proportion of Subscription) paid in respect of that Ticket.

- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize or a Syndicate Player who claims a share of a Prize and is unable to submit a Ticket or a ticket in a Game of Promotional Pools. The Licensee shall have discharged all liability in relation to payment of a Prize or share of a Prize by making payment to a person in accordance with Rule 14.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee or contractor of the Licensee shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Pools or Game of Promotional Pools; and
  - (ii) without prejudice to the generality of Rule 16(d)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize;
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of Pools or entry in a Game of Promotional Pools received by way of Entry Form or Automatic Entry.
    - (5) the receipt and processing of a Prize claim form; or
    - (6) the cancellation of a Ticket; and
  - (iii) without prejudice to the generality of Rule 16(d)(i) and Rule 16(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
    - (1) the processing of an Entry Form;
    - (2) the issue of a Ticket;
    - (3) the completion of a Prize claim form;
    - (4) the receipt of a Prize claim form;
    - (5) the processing of a Prize claim;
    - (6) the payment of a Prize;

- (7) the cancellation of a Ticket; and
  - (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or Syndicate Player or any other person for or in respect of:
  - (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Pools or Game of Promotional Pools; and
  - (ii) without prejudice to the generality of Rule 16(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of a Prize or share of a Prize;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry;
    - (3) the processing of a Ticket that has won a Prize or share of a Prize; or
    - (4) the inclusion of an Entry or Syndicate Entry in any particular Game of Pools or entry in a Game of Promotional Pools received by way of Entry Form or Automatic Entry.
- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or Syndicate Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Game of Pools or Game of Promotional Pools due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the acceptance and processing of any Entry Form or Automatic Entry culminating in the issue of a Ticket or a ticket in a Game of Promotional Pools, an Agent shall for all purposes be the agent of a Player or Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player or

Syndicate Player and not the agent of the Licensee or the Chief Executive Officer.

- (j) Notwithstanding the provisions of Rule 16 (h), in the acceptance of Commission in respect of an Entry by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player and in the acceptance by an Agent of that part of the Syndicate Share Fee that represents the relevant proportion of Commission in respect of a Syndicate Entry the agent shall for this purpose be the agent of the Licensee and not the agent of the Syndicate Player.
- (k) The State of New South Wales, the Crown in right of the State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 16(a) to 16(j) inclusive as those protected by said Rules.

#### **RULE 17**

- (a) The Pools Rules made pursuant to the Act and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer entries made pursuant to Rules previously in force under this Licence and which relate to a Game of Pools to be conducted on or after the date these Rules take effect shall be taken to be submitted as entries in such Game of Pools pursuant to those previous Rules.

#### **RULE 18            AGREEMENTS RELATING TO A GAME OF PROMOTIONAL POOLS**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Game of Promotional Pools.

#### **RULE 19            A SYNDICATE ENTRY**

- (a) An Entry as specified in column 1 of Schedule 2 shall be a Syndicate Entry if specified in, respectively:
  - (i) column 3 of Schedule 2.
- (b) A Syndicate Entry may be divided into separate Syndicate Entry Shares as shown in:
  - (i) column 4 of Schedule 2.
- (c) The Syndicate Share Fee for each Syndicate Entry Share shall be the amount specified in, respectively:
  - (i) column 5 of Schedule 2.
- (d) The Syndicate Player must pay the Syndicate Share Fee in respect of each

Syndicate Entry Share purchased by the Syndicate Player.

- (e) Before the Agent sells a Syndicate Entry Share in a Syndicate Entry the Agent must by means of the Computer Linked Terminal direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the Syndicate Entry nominated by the Agent.
- (f) An Agent who has directed the Licensee's central processing computer equipment pursuant to rule 19(e) may also direct the Licensee's central processing computer equipment to accept the sale of Syndicate Entry Shares in the nominated Syndicate Entry which sale may be effected by the Agent and also by other Agents nominated by the Agent.
- (g) Where no Syndicate Entry Share has been sold in a Syndicate Entry in respect of which the Agent has made a direction in accordance with Rule 19(e) that Syndicate Entry:
  - (i) is not eligible to be entered into a Game of Pools;
  - (ii) shall not be included in a Drawing; and
  - (iii) is not entitled to receive any Prize.
- (h) For the sake of clarity, no person or other legal entity is entitled to receive a Prize in the event of the occurrence of the circumstances specified in Rule 19(g).
- (i) Where at least one (1) but not all Syndicate Entry Shares have been sold in respect of a Syndicate Entry before the Drawing of the Game of Pools into which the Syndicate Entry is entered the Agent responsible for directing the central processing computer equipment pursuant to Rule 19(e) in respect of that Syndicate Entry shall be solely liable for and shall pay to the Licensee all Syndicate Entry Share Fees which have not been paid in respect of the unsold Syndicate Entry Shares in the Syndicate Entry and in such case, for the purposes of these Rules, and in relation to such unsold Syndicate Entry Share or Shares, the Agent shall be considered to be the Syndicate Player. In these circumstances the Syndicate Entry shall be:
  - (i) eligible to be entered into the Game of Pools;
  - (ii) be included in the Drawing; and
  - (iii) be entitled to receive any Prize.
- (j) The Licensee may pay a fee or reward to its Agents for the promotion of any Syndicate Entry or sale of any Syndicate Entry Shares other than the Syndicate Share Fee.
- (k) Upon payment of the Syndicate Share Fee in respect of a Syndicate Entry Share a Syndicate Player shall be entitled to receive a Ticket.
- (l) Each Syndicate Entry Share shall have the same Numbers as the Syndicate Entry nominated by the Agent pursuant to Rule 19(e).
- (m) An Agent may cancel a Ticket in respect of a Syndicate Entry Share sold by the

Agent provided such cancellation takes place on the day the Syndicate Entry Share was purchased and prior to the Drawing, and provided at least one (1) Syndicate Entry Share remains unsold in respect of the relevant Syndicate Entry.

- (n) A Syndicate Entry Share may not be purchased by post from the Licensee.

### SCHEDULE 1 - COMMISSION

#### Standard

2 to 14 games		\$ 0.20
16 games		\$ 0.40
18 games		\$ 0.50
24 games		\$ 0.60
30 Games		\$ 0.80

System -	7	\$ 0.20
per Panel	8	\$ 0.40
	9	\$ 0.50
	10	\$ 1.00
	11	\$ 2.00
	12	\$ 4.00
	13	\$ 6.00
	14	\$ 8.50
	15	\$ 17.50
	16	\$ 26.00
	17	\$ 32.00
	18	\$ 48.00

#### Multi-week

Standard			
2 to 14 games	5	weeks	\$ 0.40
16 games	5	weeks	\$ 0.60
18 games	5	weeks	\$ 0.70
24 games	5	weeks	\$ 0.90
30 games	5	weeks	\$ 1.20
2 to 14 games	10	weeks	\$ 0.80
16 games	10	weeks	\$ 1.00
18 games	10	weeks	\$ 1.20
24 games	10	weeks	\$ 1.50
30 games	10	weeks	\$ 1.90
2 to 14 games	25	weeks	\$ 1.20
16 games	25	weeks	\$ 1.30
18 games	25	weeks	\$ 1.50
24 games	25	weeks	\$ 2.00
30 games	25	weeks	\$ 2.70
2 to 14 games	50	weeks	\$ 2.25
16 games	50	weeks	\$ 2.60
18 games	50	weeks	\$ 3.00
24 games	50	weeks	\$ 4.00
30 games	50	weeks	\$ 5.50
System 7 -	5	weeks	\$ 0.40
per Panel	10	weeks	\$ 0.80
	25	weeks	\$ 1.55
	50	weeks	\$ 2.95

System 8 - per Panel	5	weeks	\$ 1.00
	10	weeks	\$ 2.00
	25	weeks	\$ 3.00
	50	weeks	\$ 4.00
System 9 - per Panel	5	weeks	\$ 1.25
	10	weeks	\$ 2.50
	25	weeks	\$ 3.75
	50	weeks	\$ 5.60
System 10 - per Panel	5	weeks	\$ 1.85
	10	weeks	\$ 3.70
	25	weeks	\$ 5.55
	50	weeks	\$ 7.40
System 11 - per Panel	5	weeks	\$ 3.75
	10	weeks	\$ 7.50
	25	weeks	\$ 11.25
	50	weeks	\$ 15.00
System 12 - per Panel	5	weeks	\$ 7.50
	10	weeks	\$ 11.25
	25	weeks	\$ 15.00
	50	weeks	\$ 18.75
System 13 - per Panel	5	weeks	\$ 12.50
	10	weeks	\$ 18.75
	25	weeks	\$ 25.00
	50	weeks	\$ 31.25
System 14 - per Panel	5	weeks	\$ 20.00
	10	weeks	\$ 30.00
	25	weeks	\$ 40.00
	50	weeks	\$ 50.00
System 15 - per Panel	5	weeks	\$ 25.00
	10	weeks	\$ 37.50
	25	weeks	\$ 50.00
	50	weeks	\$ 62.50

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System 16 - per Panel	5	weeks	\$ 50.00
	10	weeks	\$ 75.00
	25	weeks	\$100.00
	50	weeks	\$125.00
System 17 - per Panel	5	weeks	\$ 75.00
	10	weeks	\$112.50
	25	weeks	\$150.00
	50	weeks	\$187.50
System 18 - per Panel	5	weeks	\$100.00
	10	weeks	\$150.00
	25	weeks	\$200.00
	50	weeks	\$250.00



## SCHEDULE 2 - SYNDICATE SHARES

POOLS				
Column 1 ENTRY	Column 2 ENTRY FEE	Column 3 SYNDICATE ENTRY	Column 4 SYNDICATE ENTRY SHARES	Column 5 SYNDICATE SHARE FEE PER PANEL (Cost per Share)
System 10	\$106.00	System 10	5	\$21.20
System 10	\$106.00	System 10	10	\$10.60
System 10	\$106.00	System 10	20	\$5.30
System 11	\$233.00	System 11	5	\$46.60
System 11	\$233.00	System 11	10	\$23.30
System 11	\$233.00	System 11	20	\$11.65
System 12	\$466.00	System 12	5	\$93.20
System 12	\$466.00	System 12	10	\$46.60
System 12	\$466.00	System 12	20	\$23.30
System 12	\$466.00	System 12	40	\$11.65
System 13	\$864.00	System 13	5	\$172.80
System 13	\$864.00	System 13	10	\$86.40
System 13	\$864.00	System 13	20	\$43.20
System 13	\$864.00	System 13	40	\$21.60
System 14	\$1,510.00	System 14	5	\$302.00
System 14	\$1,510.00	System 14	10	\$151.00
System 14	\$1,510.00	System 14	50	\$30.20
System 15	\$2,520.00	System 15	5	\$504.00
System 15	\$2,520.00	System 15	10	\$252.00
System 15	\$2,520.00	System 15	50	\$50.40
System 16	\$4,030.00	System 16	5	\$806.00
System 16	\$4,030.00	System 16	10	\$403.00
System 16	\$4,030.00	System 16	20	\$201.50
System 16	\$4,030.00	System 16	40	\$100.75
System 16	\$4,030.00	System 16	50	\$80.60
System 16	\$4,030.00	System 16	100	\$40.30
System 16	\$4,030.00	System 16	200	\$20.15
System 17	\$6,220.00	System 17	5	\$1,244.00
System 17	\$6,220.00	System 17	10	\$622.00
System 17	\$6,220.00	System 17	20	\$311.00
System 17	\$6,220.00	System 17	40	\$155.50
System 17	\$6,220.00	System 17	50	\$124.40
System 17	\$6,220.00	System 17	100	\$62.20
System 17	\$6,220.00	System 17	200	\$31.10
System 18	\$9,330.00	System 18	5	\$1,866.00
System 18	\$9,330.00	System 18	10	\$933.00
System 18	\$9,330.00	System 18	20	\$466.50
System 18	\$9,330.00	System 18	40	\$233.25
System 18	\$9,330.00	System 18	50	\$186.60
System 18	\$9,330.00	System 18	100	\$93.30
System 18	\$9,330.00	System 18	200	\$46.65



**PUBLIC LOTTERIES ACT 1996****DRAW LOTTERIES - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Draw Lotteries and Games of Draw Lotteries by the New South Wales Lotteries Corporation effective from 2 July 2009.


Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation


**PUBLIC LOTTERIES ACT 1996****DRAW LOTTERY RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of Draw Lottery and Promotional Draw Lottery Games. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1 DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Draw Lottery Game) and Subscriptions for Draw Lottery Games;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Draw Lottery Games and Promotional Draw Lottery Games conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of Draw Lottery Games;
  - (v) "Approved" means approved in writing by the Minister;
  - (vi) "Automatic Entry" means an Entry in respect of a Draw Lottery Game made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) and includes an Entry previously made by a Player and stored on the central processing computer equipment of the Licensee;
  - (vii) "Bounded Area" means the area indicated as such by the symbols  or " " on the relevant Entry Form containing numbers or questions;
  - (viii) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);
  - (ix) "Commission" means the amount which the Licensee is Approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry but which does not include a charge determined in accordance with (Condition 17 (c)) of the License;

- (x) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of business of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Draw Lottery Games or Promotional Draw Lottery Games;
- (xi) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player and in respect of details of a Player's Entry in a Draw Lottery Game and where appropriate a Player's entry in a Promotional Draw Lottery Game and which is retained or recorded on magnetic tape or otherwise stored;
- (xii) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Draw Lottery Game and instructions with respect to a Promotional Draw Lottery Game from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xiii) "Director" means a Director of the Board of Directors of the Licensee;
- (xiv) "Draw Lottery Game" means a competition styled as "Draw Lotteries" conducted under the Act but does not include Promotional Draw Lotteries;
- (xv) "Drawing" means:
  - (1) in relation to a Draw Lottery Game (but not including a Second Drawing) the selection of the Winning Numbers by lot using a Drawing Device;
  - (2) in relation to a Second Drawing the selection of the Winning Numbers by lot using a Drawing Device.
- (xvi) "Drawing Date" in relation to a Draw Lottery Game means the date on which the Winning Numbers are drawn in respect of that Draw Lottery Game and, provided there is no inconsistency and where the context admits, includes the date on which the Winning Numbers are drawn in respect of a Second Drawing of a Draw Lottery Game;
- (xvii) "Drawing Device" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xviii) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;

- (xix) "Entry" means the Numbers in a Draw Lottery Game which have been selected by the central processing computer equipment by way of an Entry Form or Automatic Entry, which have been recorded in the central processing computer equipment, which (subject to Rule 6(d)) have been Imprinted on the same numbered line on a Ticket and in respect of which a Fee has been paid;
- (xx) "Entry Form" means the Approved form to be completed by a Player wishing to enter a Draw Lottery Game;
- (xxi) "Fee" means the sum of the Commission and Subscription;
- (xxii) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Drawing/s remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawing/s.
- (xxiii) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;
- (xxiv) "Licence" means the Licence granted to New South Wales Lotteries Corporation pursuant to section 12 of the Act;
- (xxv) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xxvi) "Mark" means the drawing of a vertical line "I" within a Bounded Area  or a cross "X" within a Bounded Area " " in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;
- (xxvii) "Minister" means the Minister for the time being administering the Act;
- (xxviii) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one drawing;
- (xxix) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;
- (xxx) "Numbers" has the same meaning as section 5 of the Act;
- (xxxi) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct Draw Lottery Games under a corresponding law;

- (xxxii) "Player" means a person who:
- (1) has submitted an Entry; and
  - (2) holds, bears and submits a Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and
- includes where relevant a person who has validly entered a Promotional Draw Lottery Game and who holds, bears and submits a ticket in the Promotional Draw Lottery Game to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (xxxiii) "Prize" means any Prize determined in accordance with Rule 9;
- (xxxiv) "Prize Fund" means an account established under section 27 of the Act and known as the Draw Lottery Prize Fund Account;
- (xxxv) "Prize Pool" means the amount allocated for the payment of Prizes being not less than fifty five percent (55%) of all Subscriptions received for a particular Draw Lottery Game;
- (xxxvi) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xxxvii) "Promotional Draw Lottery Game" means a public lottery conducted for the purpose of promoting a Draw Lottery Game, and in respect of which:
- (1) eligibility to enter is confined to Players in a Draw Lottery Game; and
  - (2) no further Subscription or Commission is charged;
- (xxxviii) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the Drawing Date, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xxxix) "Provisional Prize" is a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xl) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xli) "Registered Player" means a Player whose personal details have been provided to the Licensee and have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (xlii) "Rules" means these Rules made under the Act, any amendment, modification, variation, or abrogation thereof for the time being in force;

- (xliv) "Second Drawing" means an additional Drawing conducted as part of a Draw Lottery Game in accordance with the Rules;
  - (xlv) "Subscription" means the amount Approved, excluding Commission, and any additional amount determined in accordance with the Licence which a Player shall be charged to enter a Draw Lottery Game;
  - (xlv) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has submitted an Entry in a Draw Lottery Game, and which:
    - (1) contains Entry details; and
    - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and
    - (3) may include other particulars such as, where appropriate, an Automatic Entry indicator.
  - (xlvi) "Ticket Serial Number" means the numbers and/or letters Imprinted on Tickets and which constitute an official identification of the issue of a Ticket;
  - (xlvii) "Winning Numbers" in relation to a Draw Lottery Game (including a Second Drawing) means the Numbers that are drawn at random from a pre-determined field of Numbers and that relate to the Prizes in the Prize structure for each Draw Lottery Game.
- (b) In these Rules unless inconsistent with the context:
- (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2            CONDUCT OF DRAW LOTTERY AND PROMOTIONAL DRAW LOTTERY GAMES**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Draw Lottery and Promotional Draw Lottery Game.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players.
- (c) Draw Lottery Games will be drawn as determined by the Chief Executive Officer unless the Minister directs otherwise.



- (d) The Licensee may conduct a Promotional Draw Lottery Game in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Promotional Draw Lottery Game in conjunction with another Promotional Draw Lottery Game or separately from a Promotional Draw Lottery Game or otherwise in conjunction with another lottery conducted by the Licensee.
- (e) A Promotional Draw Lottery Game shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (f) The Prize structure for a Promotional Draw Lottery Game shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players during the period of each Promotional Draw Lottery Game.
- (g) During the period in which the Licensee accepts entries in a Promotional Draw Lottery Game, some of the Prizes in the approved Prize structure may already have been won when a Player enters the Promotional Draw Lottery Game, leaving the balance of Prizes still available to be won by Players at the time of their respective entries.
- (h) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players in a Promotional Draw Lottery Game of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Promotional Draw Lottery Game.
- (i) A ticket in a Promotional Draw Lottery Game may include one or more Prizes to be won on the same ticket.
- (j) A Promotional Draw Lottery Game may require the Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3            APPLICATION OF RULES**

- (a) All instructions and conditions printed on Entry Forms and Tickets and these Rules shall apply to each Draw Lottery Game and shall be binding on all Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on Entry Forms and Tickets these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Promotional Draw Lottery Game and shall be binding on all Players.
- (d) By entering a Draw Lottery or Promotional Draw Lottery Game, Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint or delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.

- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

#### **RULE 4 OBJECT**

The object of the Draw Lottery Game is to purchase a Ticket which has Numbers the same as the Winning Numbers.

#### **RULE 5 ELIGIBILITY FOR INCLUSION IN A DRAW LOTTERY GAME**

In order to be eligible for inclusion in a particular Draw Lottery Game, a Ticket must issue to the Player following acceptance of an Entry by a Computer Linked Terminal before the Drawing of that game. Any such Ticket shall be subject to Rule 6(d) hereof.

#### **RULE 6 RULES APPLYING TO ENTRY FORMS AND TICKETS**

- (a) An Entry Form shall consist of a series of numbers and questions which must be completed by the Player. A Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player claiming a resultant Prize may not be entitled to payment of the Prize.
- (b) A completed Entry Form or any other approved form of entry (including Automatic Entry) completed or made in accordance with these Rules shall be accepted by an Agent and processed on a Computer Linked Terminal and evidenced by the issue of the Ticket to the Player. It is the responsibility of the Player to check the accuracy of all details on the Entry Form or other approved form of Entry at the time of presentation to the Agent for processing.
- (c) Subject to paragraph (e) below, acceptance of a Ticket by a Player shall constitute the Player's acknowledgment of the correctness of the details (including Entry details) thereon. The Ticket issued to a Player shall be the only form of acknowledgment issued by the Licensee or its Agent or Direct Mail Agent to the Player evidencing the Player's Entry. It is the responsibility of the Player to check the accuracy of all details on the Ticket at the time it is received by a Player from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player from the Agent.
- (d) In the event that the details recorded on the Player's Ticket are not consistent with the details held by the Licensee by way of Computer Records then the latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player shall be entitled to and the Player shall be bound by any such determination.

- (e) A Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the closure of the Draw Lottery Game entered. At the request of a Player, the Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the closure of the Draw Lottery Game entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player shall be refunded the Fee paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (f) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket.
- (g) Where Numbers in a Draw Lottery Game have been produced via a Computer Linked Terminal and recorded in the central processing computer equipment but:
- (i) no Commission or Subscription has been received prior to the close of selling for the Drawing in respect of that Draw Lottery Game by the Agent in whose place of business the Computer Linked Terminal is located; and
  - (ii) the Agent has failed to cancel the Numbers before the Drawing; then
- the Agent shall be liable for and shall meet the cost of the Commission and Subscription in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered to have paid the Fee and shall be considered a Player, and shall be the holder of the Entry.
- (h) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are correct.
- (i) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Draw Lottery Game by a Player with a Direct Mail Agent does not exempt the Player from being bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.

- (j) Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (k) A Ticket shall at all times remain the property of the Licensee and a Player shall deliver up any Ticket to the Licensee upon demand.

#### **RULE 7            COMMISSION**

The Licensee is Approved to charge the Player Commission in the amounts specified in Schedule 1 of these Rules. By entering a Draw Lottery Game the Player accepts liability to pay the Commission to the Licensee.

#### **RULE 8            SUBMISSION OF ENTRY FORMS**

- (a) The Licensee may impose a registration fee payable by a Player for the provision by the Licensee of the player registration service. Application will be by way of an application form as approved by the Chief Executive Officer.
- (b) A person under the age of eighteen (18) years shall not enter a Draw Lottery Game or a Promotional Draw Lottery Game.
- (c) An Entry Form may only be submitted through:
  - (i) an Agent; or
  - (ii) a Direct Mail Agent; or
  - (iii) by post in accordance with paragraphs (l), (m) and (n) of this Rule provided that the Player is a Registered Player or becomes a Registered Player as a result of that Entry.
- (d) An Entry Form or any other form of entry in respect of a Draw Lottery Game submitted to an Agent or to a Direct Mail Agent or the Licensee must be accompanied by the correct Fee and player registration fee (if applicable).
- (e) The Licensee may authorise its Agents, for fee or reward, to promote or take part in the formation of a syndicate for the purpose of purchasing an entry in, or subscribing to, a Draw Lottery Game.
- (f) The form of payment of the Fee and player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (g)
  - (i) If anonymity is desired the Player should clearly so indicate on the appropriate Prize claim form or indicate same when completing application to become a Registered Player. Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's name and address pursuant to the provisions of Rule 10(b) (iii) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.

- (ii) All correspondence to the Chief Executive Officer in accordance with Rule 8(g)(i) should be addressed:-

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (h) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player.
- (i) Where a Player submits an Entry Form or other form of entry as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player.
- (j) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the closure of the next Draw Lottery Game to be drawn. For the purposes of this paragraph an entry will be taken to be received when details thereof have been recorded on the central processing computer equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.
- (k) Other than as provided for in Rule 6(e) no Ticket may be withdrawn or altered after issue to a Player without the consent of the Licensee.
- (l) A Player may post an Entry Form to the Licensee at the following address:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (m) An Entry Form sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said form will be entered by the Licensee in the current Draw Lottery Game for which it has been received in time to be processed. The Licensee will process the form and post it and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (n) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.
- (o) Form of entry in a Promotional Draw Lottery Game
- (i) The Chief Executive Officer is to approve the form of entry for a Promotional Draw Lottery Game;
- (ii) Without limiting Rule 8(o)(i), the form of entry in a Promotional Draw Lottery Game may be any of the following (or combination of the following):
- (1) part of a Ticket;
  - (2) any other ticket or document;
  - (3) entries made by means of an electronic or mechanical device or by telecommunications system.
- (iii) If any entry in a Promotional Draw Lottery Game is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Promotional Draw Lottery Game:
- (1) constitutes the Player's official receipt;
  - (2) is, following its acceptance, to constitute the Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
  - (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Promotional Draw Lottery Game.

## **RULE 9 DETERMINATION OF PRIZES**

- (a) Prizes for each Draw Lottery Game shall be paid by the Licensee from the Prize Pool in accordance with the Prize structure for each particular Draw Lottery Game.
- (b) Any such Prize shall be payable in respect of the Entry which is eligible for the Prize.
- (c) Second Drawing

The Licensee may, subject to the approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Draw Lottery Game provided that:

- (i) the Second Drawing shall be conducted following the Drawing of a Draw Lottery Game;

- (ii) an Entry made in respect of the Draw Lottery Game shall be entered automatically into the Second Drawing and shall not require the payment of any further Subscription;
  - (iii) the Prize or Prizes to be paid in relation to the Second Drawing shall be payable in respect of each Entry containing a Winning Number;
  - (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
  - (v) the Second Drawing shall not constitute a separate Draw Lottery Game.
- (d) A Draw Lottery Game may include an additional Prize or Prizes, Prizes paid on special occasions or pursuant to Rule 9 (c) (as approved by the Minister from time to time). Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.
- (e) Prizes in a Promotional Draw Lottery Game
- (i) The Prizes payable in a Promotional Draw Lottery Game may consist of one or more of the following:
    - (1) money;
    - (2) holidays;
    - (3) travel;
    - (4) accommodation;
    - (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
    - (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.
  - (ii) A Prize in a Promotional Draw Lottery Game must not consist of or include tobacco.
  - (iii) A Prize in a Promotional Draw Lottery Game must not consist of or include liquor within the meaning of the Liquor Act 1982.
- (f) Determination of Prizes in a Promotional Draw Lottery Game
- (i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Promotional Draw Lottery Game.
  - (ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Promotional Draw Lottery Game conducted by it.



- (iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Promotional Draw Lottery Game, including (but not limited to) the following:
  - (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
  - (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
  - (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
  - (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
  - (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.
- (iv) The Prizes in a Promotional Draw Lottery Game are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Promotional Draw Lottery Game.

**RULE 10            ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE WINNERS**

- (a) Following each Drawing of a Draw Lottery Game the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
  - (i) the amount of the Prize Pool allocated to each Prize Division;
  - (ii) the Winning Numbers of Prizes payable in each Prize Division; and
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners.
- (b) Following each Drawing of a Draw Lottery Game the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
  - (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 8 (g)(i) or where Provisional Prize Winners are not Registered Players;
  - (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 11(a), 11(b), 11(i) and 11(k) must be made.



- (c) The Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each:
- (i) Second Drawing as soon as possible after that Second Drawing; and where appropriate
  - (ii) Promotional Draw Lottery Game as soon as possible after the completion of such Promotional Draw Lottery Game.

**RULE 11 PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES AND PROVISIONAL PRIZES**

In relation to a Draw Lottery Game:

- (a)
- (i) Other than as provided for Registered Players, any Provisional Prize must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 11(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with Rule 11(a)(i) is the day of receipt by the Licensee.
- (b) A Registered Player winning a Provisional Prize which exceeds \$10,000 will be notified personally or by mail within five (5) calendar days after the Drawing Date. In respect of any Provisional Prize won by a Registered Player the Chief Executive Officer may require the Registered Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 11(l) hereof;
- (c) Where a Registered Player has been requested to claim the Provisional Prize in accordance with Rule 11(b) the Prize may be paid in accordance with the procedure and conditions set out in Rule 11(d) hereof;
- (d) A Provisional Prize shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer.
- (e) For Registered Players, any Prize not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal not earlier than the day immediately after, and not later than eight (8) weeks after, the relevant Drawing Date. Prizes not so claimed will be paid by the Licensee by cheque or, at the discretion of the Licensee, by electronic funds transfer after the expiry of eight (8) weeks after the Drawing Date; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted there from.
- (f) For Players who are not Registered Players, all Prizes not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period of not less than eight (8) weeks.

- (g) Subject to Rules 11(a), 11(b), 11(c), 11(d) and 11(e) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings;
- (h) Prizes not paid by an Agent in accordance with Rule 11(f) will be paid by the Licensee upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require.
- (i) A:
- (i) Registered Player who claims to be entitled to a Provisional Prize pursuant to Rule 11(b) and who has not been notified within five (5) days in accordance with Rule 11(b) and/or whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal; or
- (ii) Player who claims to be entitled to a Provisional Prize and whose Ticket is not shown as a winning Ticket on a Computer Linked Terminal;

must claim by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 11(l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after the Drawing Date, starting on the day immediately following the Drawing Date;

A claim not received in accordance with this Rule 11(i) will be rejected and the Licensee shall have no liability in relation thereto;

- (j) The Entry subject of a claim for a Provisional Prize made in accordance with Rule 11(i) shall be entitled to that Provisional Prize if it is found by the Licensee to be a winning Entry before the expiry of the Provisional Period, and in such case the Provisional Prize amount shall be varied to take into account the new Provisional Prize Winner;
- (k) A:
- (i) Player who claims to be entitled to a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
- (ii) Registered Player who claims to be entitled to a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal;
- must lodge a Prize claim form containing or accompanied by the particulars set out in Rule 11(l);
- (l) The particulars required in accordance with the provisions of Rules 11(a), 11(b), 11(i) and 11(k) are:
- (i) the name and address of the Player;

- (ii) the Ticket Serial Number;
  - (iii) the Winning Numbers shown on the Ticket;
  - (iv) the Player's registration number if a Registered Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires;
- (m) Notwithstanding the provisions of this Rule 11, if an Entry which would otherwise have been entitled to a Prize not exceeding \$1,000.00 is discovered after payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player the same Prize as is being paid to winning Players or such other Prize amount as determined by the Chief Executive Officer;
- (n) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is the Player entitled to that Provisional Prize. Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player may fail to meet one or more of the elements (1) or (2) contained in Rule 1(xxxii) or may fail to meet some or all the provisions contained in these Rules governing Prize entitlement.
- (o) All cheques will be crossed and marked "Not Negotiable" and will be drawn in favour of the Player in accordance with these Rules;
- (p) The payment of a Prize to any Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;
- (q) Subject to section 27 of the Act, all unclaimed or uncollected Prizes shall be retained in the Prize Fund for payment to the Players entitled thereto;
- (r) Where payment of a Prize by the Licensee is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
- (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player;
- (s) Where payment of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player, to the name and address appearing on the Licensee's records relating to that Player.

Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same;

- (t) Any Prize sent by the Licensee to a Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability;
- (u) The payment of all Prizes pursuant to this Rule 11 will discharge the Licensee from liability notwithstanding the existence of any trust, whether express, constructive or implied, or syndicate (formed pursuant to Rule 8(e) or otherwise). Where the Licensee has paid a Player pursuant to this Rule 11 and the Chief Executive Officer is, after such payment has been made, of the view that the Player was not the Player to whom such payment should have been made, the Player shall upon being requested to do so by the Licensee in writing, refund to the Licensee the monies forwarded to him or her;
- (v) Prizes may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize may be forwarded by an Agent to the Licensee at the request of a Player or the Player may forward the Prize claim form to the Licensee direct.

- (w) Any Prize to be paid in accordance with Rule 9 (c) or Rule 9 (e) shall be forwarded to the winner thereof in such manner as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct.
- (x) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (y) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (z) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.
- (aa) Payment of Prizes in a Promotional Draw Lottery Game
  - (i) A Prize is not payable in a Promotional Draw Lottery Game unless:
    - (1) the entry submitted in a Promotional Draw Lottery Game is in the form determined by the Chief Executive Officer under Rule 8(o)(i); and

- (2) if the form of entry requires the Player to have purchased a Ticket in a Promotional Draw Lottery Game, the Ticket in the Promotional Draw Lottery Game must satisfy any test used by the Chief Executive Officer to determine whether the Ticket in the Promotional Draw Lottery Game is valid,

and the claimant has complied with all conditions relating to the Promotional Draw Lottery Game advertised under Rule 9(f)(ii).

- (ii) The Licensee may record on an entry in a Promotional Draw Lottery Game a verification code or other test and use it to determine whether the entry in a Promotional Draw Lottery Game is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Promotional Draw Lottery Game, on which such a test is recorded, if the entry does not satisfy the test.

## **RULE 12            DISQUALIFICATIONS**

- (a) Notwithstanding that a Ticket may have issued, Entry in a Draw Lottery or entry in a Promotional Draw Lottery Game may be disqualified and no claim shall be entered in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified.
- (b) The reasons for disqualification may include but are not limited to:
  - (i) tender of insufficient Fee or a dishonoured cheque or if the form of remittance is not acceptable;
  - (ii) the Player has defaulted in payment of any previous Fee;
  - (iii) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
  - (iv) Ticket fails any security tests of the Licensee;
  - (v) reasonable suspicion of unauthorised use of a Computer Linked Terminal; or
  - (vi) any other breach of these Rules which justifies disqualification.
- (c) The Licensee shall use its best endeavours to notify a Player, whose name and address is known to the Licensee, that an entry has been disqualified and the reason therefor and the Licensee shall in respect thereof refund to the Player any Subscription paid. Where the Licensee does not know of the name and address of a Player the Licensee shall publicise, in a manner determined by the Chief Executive Officer, the disqualification of such entry.

## **RULE 13            LIMITATION OF LIABILITY**

- (a) By entering a Draw Lottery or Promotional Draw Lottery Game a Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof. Any Ticket having issued in respect of an Entry in a Draw Lottery Game which is disqualified shall automatically be void and cancelled.

- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or any other person by reason of the loss or destruction of a Ticket or ticket in a Promotional Draw Lottery Game for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription paid in respect of that Ticket.
- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize and is unable to submit a Ticket or ticket in a Promotional Draw Lottery Game. The Licensee shall have discharged all liability in relation to payment of a Prize by making payment to a person in accordance with Rule 11.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee or contractor of the Licensee shall have no liability or responsibility to a Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Draw Lottery or Promotional Draw Lottery Game; and
  - (ii) without prejudice to the generality of Rule 13(d)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of Prizes;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize;
    - (4) the inclusion of an Entry in any particular Draw Lottery Game or entry in a Promotional Draw Lottery Game received by way of Entry Form or Automatic Entry instructions.
    - (5) the receipt and processing of a Prize claim form; or
    - (6) the cancellation of a Ticket; and
  - (iii) without prejudice to the generality of Rule 13(d)(i) and Rule 13(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
    - (1) the processing of an Entry Form;
    - (2) the issue of a Ticket;
    - (3) the completion of a Prize claim form;
    - (4) the receipt of a Prize claim form;
    - (5) the processing of a Prize claim;

- (6) the payment of a Prize;
  - (7) the cancellation of a Ticket; and
  - (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or any other person for or in respect of:
  - (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Draw Lottery or Promotional Draw Lottery Game; and
  - (ii) without prejudice to the generality of Rule 13(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of Prizes;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Ticket that has won a Prize; or
    - (4) the inclusion of an Entry in any particular Draw Lottery Game, or entry in a Promotional Draw Lottery Game received by way of Entry Form or Automatic Entry instructions.
- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Draw Lottery or Promotional Draw Lottery Game due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the acceptance and processing of any Entry Form or Automatic Entry culminating in the issue of a Ticket or ticket in a Promotional Draw Lottery Game, an Agent shall for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.



- (j) Notwithstanding the provisions of Rule 13(h), in the acceptance of Commission by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player.
- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 13(a) to 13(j) inclusive as those protected by said Rules.

**RULE 14**

- (a) The Draw Lottery Rules made pursuant to the Public Lotteries Act 1996 and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer, entries made pursuant to Rules previously in force under any earlier Licence and which relate to a Drawing or Drawings to be conducted on or after the date these Rules take effect, shall be taken to be submitted as entries in such Drawing or Drawings pursuant to those previous Rules.

**RULE 15**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Promotional Draw Lottery Game.



**SCHEDULE 1****COMMISSION AND SUBSCRIPTION PAYABLE FOR DRAW LOTTERY GAMES**

<b>Draw Lottery Game</b>	<b>Commission</b>	<b>Subscription</b>
\$2.00 Jackpot Lottery	\$0.15	\$2.00
\$5.00 Jackpot Lottery	\$0.30	\$5.00

**PUBLIC LOTTERIES ACT 1996****INSTANT LOTTERIES - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Instant Lotteries and Games of Promotional Instant Lotteries by the New South Wales Lotteries Corporation effective from 2 July 2009.

Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****INSTANT LOTTERIES RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996, has approved of the following Rules for the conduct of Instant Lottery and Promotional Instant Lotteries to be effective on and from 15 December 2006. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1 DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996 any amendment, modification, variation, or abrogation thereof for the time being in force;
  - (ii) "Agency" means a place at which an Agent is allowed to:
    - (1) receive Subscriptions for and sell Tickets in an Instant Lottery;
    - (2) receive entries in a game of Promotional Instant Lottery and provide Promotional Instant Lottery Tickets; and
    - (3) in the case of a Direct Mail Agent receive Subscriptions and instructions to purchase Instant Lottery Tickets and to provide Promotional Instant Lottery Tickets on behalf of Subscribers outside of the State of New South Wales;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Instant Lottery and Promotional Instant Lotteries conducted by the Licensee and includes any branch or section of the Licensee nominated by the Licensee;
  - (iv) "Approved" means approved in writing by the Minister;
  - (v) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);
  - (vi) "Commission" means the amounts which the Licensee is approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect a Player's purchase of a Ticket in an Instant Lottery but which does not include a charge determined in accordance with Condition 12 (c) of the Licence;;
  - (vii) "Computer Linked Terminal" means the computer equipment of the Licensee located in Agencies which is linked to the Licensee's central processing computer of the Licensee for purposes associated with Instant Lottery;
  - (viii) "Computer Records" means the sum of information which is provided to the Licensee by way of its central processing computer equipment in respect of an Instant Lottery which is retained or recorded on a magnetic tape or otherwise stored;

- (ix) "Conduct" in relation to an Instant Lottery and Promotional Instant Lottery has the same meaning as assigned to it by section 4(1) of the Act;
- (x) "Director" means a Director of the Board of Directors of the Licensee;
- (xi) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of an Instant Lottery or entries and instructions with respect to a Promotional Instant Lottery from a Player outside of the State of New South Wales.
- (xii) "Draw" means the drawing of a public lottery conducted as part of an Instant Lottery or Promotional Instant Lottery in accordance with Rule 10;
- (xiii) "Employee" means, where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporatisation Act 1996. In other contexts, "Employee" includes an employee of an Agent or Direct Mail Agent;
- (xiv) "Fee" means the sum of the Commission and Subscription;
- (xv) "Instant Lottery" means a public lottery game whereby Prizes are determined (wholly or partly) by revealing Numbers on Tickets in the lottery (whether or not additional Prizes are determined in any other manner);
- (xvi) "Licence" means the Licence granted to the Licensee under Section 12 of the Act;
- (xvii) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xviii) "Minister" means the Minister of the Crown for the time being administering the Act;
- (xix) "Numbers" has the same meaning as contained in Section 5(2) of the Act;
- (xx) "Player" means:
  - (1) a player who has purchased a Ticket and paid the Fee in an Instant Lottery; and
  - (2) a person who has validly entered a Promotional Instant Lottery;
- (xxi) "Prize" means any prize determined in accordance with Rules 9 and 14;
- (xxii) "Prize Fund" means the account established under Section 27 of the Act and known as the Instant Lottery Prize Fund Account;

- (xxiii) "Prize Pool" means the amount allocated for the payment of Prizes being not less than sixty percent (60%) of all subscriptions received for a particular Instant Lottery unless otherwise approved;
- (xxiv) "Prize Reserve Fund" means the fund established by the Licensee in accordance with the provisions of Condition 9 of the Licence;
- (xxv) "Promotional Instant Lottery" means a public lottery game conducted for the purpose of promoting an Instant Lottery, and in respect of which:
- (1) eligibility to enter is confined to Players in an Instant Lottery which is currently selling or in which selling has concluded; and
  - (2) no further Subscription or Commission is charged;
- (xxvi) "Registered Player" means a Player whose personal details have been provided to the Licensee which has subsequently, recorded them on Computer Records for the purpose of provision of a Player registration service (which may be consented to from time to time by the Chief Executive Officer) to that Player;
- (xxvii) "Rules" means these Rules made under the Act any amendment, modification, variation, or abrogation thereof for the time being in force;
- (xxviii) "Subscription" means the amount Approved, excluding Commission and any charge that may have been determined in accordance with Condition 12 (c) of the Licence, which a Player shall be charged to enter an Instant Lottery;
- (xxix) "Ticket" means the form of entry to an Instant Lottery or Promotional Instant Lottery, whether it be in documentary, or other approved form, as agreed by the Chief Executive Officer, which permits a Player to play an Instant Lottery or Promotional Instant Lottery and which evidences:
- (1) in the case of an Instant Lottery, that a Player has paid the Fee to enter the Instant Lottery; and
  - (2) in the case of a Promotional Instant Lottery, that a Player has validly entered the Promotional Instant Lottery;
- which may be validated by a Computer Linked Terminal and which may include Ticket Serial Numbers and may be subject to security tests to determine the validity of the Ticket as directed by the Chief Executive Officer;
- (xxx) "Ticket Serial Number" means the verification code in the form of numbers and/or letters and/or bar codes which may be printed on Tickets and which constitute the means by which the Licensee can determine after the issue of the Ticket whether it is a valid Ticket and also whether it has won a Prize;

- (b) In these Rules unless inconsistent with the context:
- (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings where used in these Rules have been inserted to assist interpretation.

**RULE 2 CONDUCT OF INSTANT LOTTERIES AND PROMOTIONAL INSTANT LOTTERIES**

- (a) These Rules are to be read subject to the Act, its Regulations and the Licence, and shall apply, where the context permits, to every Instant Lottery and Promotional Instant Lottery.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players.
- (c) An Instant Lottery or Promotional Instant Lottery shall, at its commencement, have a Prize structure as determined by the Chief Executive Officer.
- (d) The Prize structure shall comprise the number and value of Prizes to be offered by the Licensee to Players during the period of each Instant Lottery or Promotional Instant Lottery, as the case may be.
- (e) During the period in which the Licensee:-
- (i) offers for sale Tickets in an Instant Lottery; or
  - (ii) accepts entries in a Promotional Instant Lottery;
- some or all of the Prizes in the approved Prize structure may already have been won when a Player:-
- (iii) purchases a Ticket in an Instant Lottery; or
  - (iv) enters a Promotional Instant Lottery;
- leaving the balance of Prizes still available to be won by Players at the time of their respective purchase or entry.
- (f) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players in an Instant Lottery or Promotional Instant Lottery of the number or nature of Prizes still available to be won by them at the time of their proposed purchase or entry of an Instant Lottery or Promotional Instant Lottery, as the case may be.
- (g) A Ticket in an Instant Lottery may include a Promotional Instant Lottery on the same Ticket.
- (h) A Ticket in an Instant Lottery or Promotional Instant Lottery may include one or more Prizes to be won on the same Ticket.
- (i) An Instant Lottery or Promotional Instant Lottery may require the Player to reveal a winning Number on more than one Ticket in order to win a Prize.

- (j) The Licensee may conduct a Promotional Instant Lottery in such manner and at such times and places as the Licensee determines.
- (k) A Promotional Instant Lottery may be conducted in conjunction with an Instant Lottery or separately from an Instant Lottery.

### **RULE 3 APPLICATION OF RULES**

- (a) These Rules and all instructions and conditions printed on Tickets shall apply to each Instant Lottery or Promotional Instant Lottery and shall be binding on all Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on Tickets, these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Promotional Instant Lottery and shall be binding on all Players.
- (d) By entering an Instant Lottery or Promotional Instant Lottery Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

### **RULE 4 PRICE OF TICKETS**

- (a) The Licensee shall set, as approved, the amount payable by Players, excluding commission, in respect of the sale of Tickets in an Instant Lottery;
- (b) The Licensee shall set, as approved, the Commission payable to Agents in respect of the sale of Tickets in an Instant Lottery;
- (c) The commission payable to any Agent is not to exceed the amount set under Rule 4(b).

### **RULE 5 COMMISSION**

The Licensee is Approved to charge the Player Commission in the amounts specified in Schedule 1 of these Rules. By entering an Instant Lottery the Player accepts liability to pay the Commission to the Licensee.

**RULE 6 SALE OF TICKETS**

- (a) A Ticket in an Instant Lottery may only be sold through:
- (i) an Agent; or
  - (ii) a Direct Mail Agent;
- (b) A Direct Mail Agent may receive instructions by post, telephone, facsimile or modem and such Direct Mail Agent may receive Prize cheques for and on behalf of Players.
- (c) A Player may claim a Prize by posting a Ticket to the Licensee at the following address:

The Chief Executive Officer  
NSW Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be notified from time to time by the Chief Executive Officer.

- (d) Fees and Player registration fees payable in respect of the sale of Tickets by post by the Licensee may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of the purchase of Instant Lottery Tickets may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.
- (e) Payment by cheque is taken to have been effected when payment of the cheque has been made by the bank, building society or credit union on which the cheque is drawn.

**RULE 7 RULES APPLYING TO TICKETS**

- (a) The Ticket issued to the Player shall constitute the Player's official receipt and acceptance thereof shall constitute the Players acknowledgment of all details thereon and shall be the only form issued by the Licensee or its Agents to the Player evidencing the Player's entry in a particular Instant Lottery or Promotional Instant Lottery. Neither the Licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (b) In the event that the particulars recorded on the Player's Ticket are not consistent with the particulars held by the Licensee by way of Computer Records or such other records held by the Licensee, then the latter shall apply and shall determine what Prize, if any, the Player shall be entitled to and the Player shall be bound by any such determination. Particulars which may be recorded on a Ticket include the Ticket Serial Number, the Numbers revealed, the particular Instant Lottery or Promotional Instant Lottery entered.
- (c) A Ticket shall at all times remain the property of the Licensee and a Player shall deliver up any Ticket to the Licensee upon demand.



- (d) A Player in an Instant Lottery may indicate anonymity is desired by clearly marking the box styled "NFP" on the Ticket with a cross or tick to indicate that the details relating to the Player shown on the Ticket should not be published.
- (e) The identity of a Player who has marked a Ticket in the manner referred to in Rule 7(d) must not be published by the Licensee.
- (f) A Player may at any time revoke a request for anonymity and participate in any promotion or marketing of the Licensee's products.
- (g) Where a Player submits a Ticket as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player.
- (h) Tickets in an Instant Lottery shall specify:-
  - (i) the manner in which the Ticket holder may determine whether an Instant Prize has been won; and
  - (ii) the procedures for claiming Instant Lottery Prizes.
- (i) Subject to Rules 9 and 14 the Chief Executive Officer may pay a Prize to a person who holds, bears or submits a Ticket in an Instant Lottery or a Ticket in a Promotional Instant Lottery to the Licensee, an Agent or a Direct Mail Agent for the purpose of receiving a Prize.

#### **RULE 8 INSTANT LOTTERY PRIZES**

- (a) The Prizes payable in an Instant Lottery are to consist of one or more of the following:
  - (i) money;
  - (ii) Tickets in an Instant lottery;
  - (iii) Tickets in any other lottery;
  - (iv) such other prizes as may (subject to this clause) be determined by the Licensee.
- (b) The Chief Executive Officer may change or alter the nature of any Prize offered in an Instant Lottery, including the conversion of any Prize (or part of a Prize) into a monetary equivalent.
- (c) A Prize in an Instant Lottery must not consist of or include tobacco.
- (d) A Prize in an Instant Lottery must not consist of or include liquor within the meaning of the Liquor Act 1982.

#### **RULE 9 DETERMINATION OF PRIZES**

- (a) The Licensee is to determine the number of Tickets in an Instant Lottery, the amount of money Prizes and the number and nature of other Prizes.

- (b) The Prizes payable in respect of an Instant Lottery are to be determined:
  - (i) by revealing the Number on the Tickets in the lottery; or
  - (ii) in such other manner as is approved by Chief Executive Officer for the purposes of that Instant Lottery.
- (c) Without limiting Rule 9(b), Prizes in an Instant Lottery may be determined by the inclusion of Tickets in the lottery in a draw.
- (d) If any Prizes in an Instant Lottery are to be determined in a manner approved under Rule 9(b)(ii), the Licensee is to give notice of the manner of determination:
  - (i) by indicating the manner of determining the Prize on each Ticket in the Instant Lottery; or
  - (ii) by publicly advertising the manner of determination of the Prize, or both.

#### **RULE 10 DRAW FOR INSTANT LOTTERY PRIZES**

- (a) This Rule applies when the Licensee determines that some of the Prizes in an Instant Lottery are to be determined by a draw.
- (b) A Ticket in an Instant Lottery is eligible to be included in a draw in such circumstances as may be indicated or publicly advertised in accordance with Rule 9(d).
- (c) A draw is to be conducted at such times and in such manner as the Licensee may determine.
- (d) Prizewinners in a draw are to be selected at random by such means (including the use of mechanical, electronic or other devices or aids) as the Minister may approve.
- (e) A draw is to be carried out under the control and direction of the Licensee. A draw is not to be carried out except in the presence of the Auditor-General or an officer from the office of the Auditor-General nominated by the Auditor-General, as nominated by the Minister.
- (f) The Licensee is, as far as is reasonably practicable, to ensure the security, performance and accuracy of any device or aid used in connection with a draw.
- (g) Each draw in an Instant Lottery is to be open to the public.
- (h) The Licensee is, if possible, to notify Prizewinners in a draw that they have won a Prize and may require them to claim the Prize before payment of the Prize.

#### **RULE 11 CONDUCT OF PROMOTIONAL LOTTERIES**

- (a) The Licensee may conduct a Promotional Instant Lottery in such manner at such times and places as the Chief Executive Officer determines.

- (b) A Promotional Instant Lottery may be conducted in conjunction with an Instant Lottery or separately from an Instant Lottery.

**RULE 12 FORM OF ENTRY - PROMOTIONAL INSTANT LOTTERIES**

- (a) The Chief Executive Officer is to determine the form of entries in a Promotional Instant Lottery that will be used by the Licensee in determining whether one or more Prizes have been won in the Promotional Instant Lottery.
- (b) Without limiting Rule 12(a), the Chief Executive Officer may determine that entries in a Promotional Instant Lottery are to be in the form of any of the following (or combination of the following):
- (i) portions of a Ticket in an Instant Lottery nominated by the Chief Executive Officer;
  - (ii) any other Ticket or document;
  - (iii) entries made by means of an electronic or mechanical device or by a telecommunications system.
- (c) If an entry in a Promotional Instant Lottery is to consist of a portion of an Instant Lottery Ticket:
- (i) the manner in which each game is to be played is to be clearly displayed on separate portions of each Ticket; and
  - (ii) the play areas of the Instant Lottery and Promotional Instant Lottery are to be displayed on separate portions of each Ticket.
- (d) If an entry in a Promotional Instant Lottery is to consist of a Ticket or document, a Ticket or document issued to an entrant in the Promotional Instant Lottery:
- (i) constitutes the Player's official receipt;
  - (ii) is, following its acceptance, to constitute the Player's acknowledgment of the details on the entry; and
  - (iii) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Promotional Instant Lottery.

**RULE 13 PRIZES IN PROMOTIONAL INSTANT LOTTERIES**

- (a) The Prizes payable in a Promotional Instant Lottery may consist of one or more of the following:
- (i) money;
  - (ii) holidays;
  - (iii) travel;

- (iv) accommodation;
  - (v) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
  - (vi) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.
- (b) A Prize in a Promotional Instant Lottery must not consist of or include tobacco.
- (c) A Prize in a Promotional Instant Lottery may not consist of or include liquor within the meaning of the Liquor Act 1982.

**RULE 14            DETERMINATION OF PRIZES - PROMOTIONAL INSTANT LOTTERIES**

- (a) The Chief Executive Officer is to determine the number and nature of Prizes in each Promotional Instant Lottery.
- (b) The Licensee is to publicly advertise the number and nature of, and the conditions relating to payment of, Prizes in each Promotional Instant Lottery conducted by it.
- (c) The Chief Executive Officer may change or alter the nature of any Prize offered in a Promotional Instant Lottery, including (but not limited to) the following:
- (i) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
  - (ii) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
  - (iii) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
  - (iv) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
  - (v) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a money equivalent.
- (d) The Prizes in a Promotional Instant Lottery are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Promotional Instant Lottery.

**RULE 15            AGREEMENTS RELATING TO PROMOTIONAL INSTANT LOTTERIES**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Promotional Instant Lottery.

**RULE 16 PAYMENT OF INSTANT LOTTERY PRIZES**

A Prize in an Instant Lottery is payable only on presentation of a Ticket in that Instant Lottery indicating that the Prize has been won and after the Licensee has determined that the Ticket is valid and has won the Prize.

**RULE 17 PAYMENT OF PROMOTIONAL INSTANT LOTTERY PRIZES**

- (a) A Prize is not payable in a Promotional Instant Lottery unless:
- (i) the entry submitted in the Promotional Instant Lottery is in the form determined by the Chief Executive Officer under Rule 12; and
  - (ii) if the form of entry requires the Player to have purchased a Ticket in an Instant Lottery, the Ticket satisfies any test used by Chief Executive Officer to determine whether the Ticket is valid,
- and the claimant has complied with all conditions relating to the Promotional Instant Lottery advertised under Rule 14(b).
- (b) The Licensee may record on an Ticket in a Promotional Instant Lottery a verification code or other test and use it to determine whether the Ticket in a Promotional Instant Lottery is a valid entry and whether it has won a Prize. A Prize is not payable in respect of a Ticket in a Promotional Instant Lottery, on which such a test is recorded, if the Ticket does not satisfy the test.

**RULE 18 PAYMENT OF MONEY PRIZES**

- (a) A money Prize in an Instant Lottery or a Promotional Instant Lottery may be paid to the Player presenting a Prizewinning Ticket in that Instant Lottery, or a Prizewinning Ticket in that Promotional Instant Lottery, or to a Player who has submitted a Prizewinning Ticket in a form other than a Ticket or other document in a Promotional Instant Lottery:
- (i) in the case of a Prize below an amount to be specified from time to time by the Licensee - at any Agency or office of the Licensee or at such other location as the Licensee may, from time to time, determine; and
  - (ii) in the case of a Prize above an amount to be specified from time to time by the Licensee - at such locations as the Licensee may, from time to time, determine.
- (b) A Prize in an Instant Lottery or a Promotional Instant Lottery may be paid:
- (i) by cheque posted to the Player whose name and address is shown on the Prizewinning Ticket, or as is otherwise indicated on submission of the Prizewinning Ticket; or
  - (ii) by such other means as the Licensee may from time to time determine.

- (c) Any cheque drawn in payment of a Prize:
  - (i) must be made payable to the order of one named Prizewinner as shown on the Prizewinning Ticket or shown on, or otherwise indicated, on submission of the Prizewinning Ticket; and
  - (ii) must be crossed and marked "not negotiable".
- (d) Payment by cheque is taken to have been effected when payment of the cheque has been made by the bank, building society or credit union on which the cheque is drawn.

#### **RULE 19 IDENTITY**

The Licensee may require a claimant for a Prize in an Instant Lottery or Promotional Instant Lottery:

- (i) to furnish such evidence of the claimant's identity as the Licensee thinks sufficient to establish the claimant's identity; and
- (ii) to verify that evidence in such manner as the Licensee considers appropriate.

#### **RULE 20 EFFECT OF PAYMENT**

- (a) The Licensee need not inquire into the entitlement to claim a Prize of any person who presents a Prizewinning Ticket in an Instant Lottery or presents or submits a Prizewinning entry in a Promotional Instant Lottery.
- (b) Payment of a Prize to such a claimant in accordance with this Part discharges the Licensee from any action, liability, claim or demand from any other person in relation to the entry.

#### **RULE 21 PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES**

- (a) The Chief Executive Officer shall from time to time approve the form and content of the claim form to be forwarded by Players when claiming a Prize in an Instant Lottery or Promotional Instant Lottery.
- (b) A sum representing the cost of applicable postage will be deducted from all Prizes paid by post to Players by the Licensee.
- (c) A Player or a Direct Mail Agent who claims to be entitled to a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal, or in such other manner as the Chief Executive Officer may determine, must lodge a Prize claim form containing or accompanied by the particulars required on the claim form;
- (d) The payment of Prizes to Players under eighteen (18) years of age and to those Players who are known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;

- (e) Subject to any Regulations made pursuant to the provisions of the Act, all unclaimed or uncollected Prize money shall be retained in the Prize Fund for payment to the Player entitled thereto;
- (f) Consequent upon posting of a remittance representing a Prize payment to the Player's address the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same;
- (g) Where more than one name is advised on a Ticket or on a claim form, payment to any one person so named at the address so given shall discharge the Licensee from all liability in respect of such payment to the other person so named;
- (h) The payment of all Prizes pursuant to this Rule 21 will discharge the Licensee from liability notwithstanding the existence of any trust whether express, constructive or implied. Where the Licensee has paid a Player or a Direct Mail Agent pursuant to this Rule 21 and the Chief Executive Officer is, after such payment has been made, of the view that the Player was not the Player to whom such payment should have been made the Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her;

**RULE 22            ADDITIONAL CIRCUMSTANCES WHEN PRIZES ARE NOT PAYABLE**

- (a) A Prize is not payable in an Instant Lottery or Promotional Instant Lottery:
  - (i) if the Ticket in the Instant Lottery or an entry in the form of a Ticket or document in the Promotional Instant Lottery presented by the claimant for the Prize is damaged, altered, reconstituted or counterfeit; or
  - (ii) if the Ticket or entry is stolen or is a Ticket or entry that has been printed but not issued by the Licensee; or
  - (iii) if the Licensee has reasonable cause to suspect there has been unauthorised use of a computer linked terminal in relation to the verification code or any other test used in determining whether the Ticket or entry is a valid Ticket or entry and whether it has won a Prize; or
  - (iv) if the Player who purchased the Ticket has tendered insufficient payment or commission for the Ticket or has presented a cheque that is subsequently dishonoured or if the form of payment tendered is not otherwise acceptable to the Licensee; or
  - (v) in such other circumstances as are specified on the Ticket or entry or as have been publicly advertised by the Licensee in relation to the Instant Lottery or Promotional Instant Lottery; or
  - (vi) in respect of a Ticket which fails any confidential security test of the Licensee.

- (b) A Prize in an Instant Lottery or Promotional Instant Lottery is not payable to a person apparently under the age of 18 years.
- (c) The Licensee must use its best endeavours to notify a person whose name and address is shown on a Ticket or entry on which a Prize is not payable under this clause and must provide reasons why the Prize is not payable.
- (d) Nothing in subclause (a) prevents a Prize from being paid in respect of a damaged Ticket or entry if the Licensee determines that the Ticket or entry is a valid Ticket or entry and that it has won a Prize. However, the Licensee is not to pay a Prize of \$5,000 or more in respect of a damaged Ticket or entry without the approval of the Minister.
- (e) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.

### **RULE 23            LIMITATION OF LIABILITY**

- (a) By entering an Instant Lottery or Promotional Instant Lottery a Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent or Direct Mail Agent as the case may be and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Board of Directors, the Chief Executive Officer, the Agent or Direct Mail Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent or Direct Mail Agent and all Employees thereof shall have no responsibility or liability to a Player or any other person by reason of the loss or destruction of a Ticket for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription paid in respect of that Ticket.
- (c) The Licensee, Directors, and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize and is unable to submit a Ticket. The Licensee shall have discharged all liability in relation to payment of a Prize by making payment to a person in accordance with the Rules.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee, Contractor of the Licensee shall have no liability or responsibility to a Player or any other person for or in respect of:
  - (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function, obligation or discretion conferred or contemplated by the Rules or otherwise in or about the conduct or promotion of any Instant Lottery or Promotional Instant Lottery; and
  - (ii) without prejudice to the generality of Rule 23 (d)(i) hereof, any negligence, omission, delay or failure in relation to:



- (1) the payment of Prizes;
  - (2) the processing and issue of a Ticket following acceptance of the Fee in respect of an Instant Lottery or an entry in respect of a Promotional Instant Lottery;
  - (3) the processing of a Prize winning Ticket;
  - (4) the receipt and processing of a Prize claim form; and
- (iii) without prejudice to the generality of Rule 23 (d)(i) and Rule 23(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
- (1) the issue of a Ticket;
  - (2) the completion of a Prize claim form;
  - (3) the receipt of a Prize claim form;
  - (4) the processing of a Prize claim;
  - (5) the payment of a Prize; and
- (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent or Direct Mail Agent and every Employee of an Agent or Direct Mail Agent shall have no liability or responsibility to a Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function, obligation or discretion conferred or contemplated by the Rules or otherwise in or about the conduct of any Instant Lottery or Promotional Instant Lottery; and
  - (ii) without prejudice to the generality of Rule 23(e)(i) hereof, any negligence, omission delay or failure in relation to:
    - (1) the payment of Prizes;
    - (2) the processing and issue of a Ticket following acceptance of the Fee in respect of an Instant Lottery or an entry in respect of a Promotional Instant Lottery; or
    - (3) the processing of a Prize winning Ticket;

- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent or Direct Mail Agent, and each and every Employee of the Licensee or an Agent or Direct Mail Agent, shall have no liability or responsibility to a Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.
- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent or Direct Mail Agent, and each and every Employee of the Licensee or an Agent or Direct Mail Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Instant Lottery or Promotional Instant Lottery due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the processing of any Ticket, claim form or instructions received by an Agent or Direct Mail Agent an Agent or Direct Mail Agent shall for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.
- (j) Notwithstanding the provisions of Rule 23 (h), in the acceptance of Commission by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player.
- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 23(a) to 23(j) inclusive as those protected by said Rules.

#### **RULE 24 MISCELLANEOUS**

- (a) Unless otherwise determined by the Chief Executive Officer any Ticket purchased in an Instant Lottery and Promotional Instant Lottery pursuant to regulations previously in force under any earlier legislation and which relate to an Instant Lottery Game to be conducted on or after the date these Rules take effect shall be taken as being purchased or entered pursuant to these Rules.
- (b) The Chief Executive Officer may authorise the charging by a Direct Mail Agent to a Player of such amounts to be retained by the Direct Mail Agent for the provision of ancillary services as may be approved by the Minister in accordance with the provisions of the Licence.

**RULE 25            UNCLAIMED PRIZES**

Unclaimed Prizes shall be dealt with in accordance with the provisions of regulations to the Act.

## SCHEDULE 1

## SUBSCRIPTIONS AND COMMISSION PAYABLE FOR INSTANT LOTTERIES

<b>Instant Lottery Game</b>	<b>Commission</b>	<b>Subscription</b>
\$1.00 Instant Lottery Ticket	\$0.10	\$1.00
\$2.00 Instant Lottery Ticket	\$0.15	\$1.85
\$2.50 Instant Lottery Ticket	\$0.18	\$2.32
\$3.00 Instant Lottery Ticket	\$0.20	\$2.80
\$4.00 Instant Lottery Ticket	\$0.25	\$3.75
\$5.00 Instant Lottery Ticket	\$0.30	\$4.70
\$10.00 Instant Lottery Ticket	\$0.60	\$9.40

**PUBLIC LOTTERIES ACT 1996****LOTTO STRIKE - APPROVAL OF RULES**

I, THE HONOURABLE KEVIN GREENE, MP, Minister for Gaming and Racing and Minister for Sport and Recreation, being the Minister for the time being administering the Public Lotteries Act 1996 (hereinafter referred to as "the Act") pursuant to section 23 (1) of the Act **DO HEREBY APPROVE** the Rules annexed to this instrument for the conduct of Games of Lotto Strike and Games of Promotional Lotto Strike by the New South Wales Lotteries Corporation effective from 2 July 2009.


Dated this 11th day of June 2009.

KEVIN GREENE, M.P.,  
Minister for Gaming and Racing  
Minister for Sport and Recreation

**PUBLIC LOTTERIES ACT 1996****LOTTO STRIKE RULES**

It is hereby notified that the Minister administering the Public Lotteries Act 1996 has approved of the following Rules for the conduct of the Game of Lotto Strike and Promotional Lotto Strike. In accordance with Section 23(3)(b) of the Act, these Rules take effect on and from 5 December 2008. These Rules supersede the Rules notified previously in the Government Gazette.

**RULE 1 DEFINITIONS**

- (a) In these Rules unless inconsistent with the context:
- (i) "Act" means the Public Lotteries Act 1996;
  - (ii) "Agency" means a place at which an Agent or Direct Mail Agent is permitted to accept completed Entry Forms (and other approved means of entry to a Game of Lotto Strike) and Subscriptions for Games of Lotto Strike;
  - (iii) "Agent" means a person appointed by the Licensee for purposes associated with Games of Lotto Strike conducted by the Licensee and includes any branch or section of New South Wales Lotteries nominated by the Licensee;
  - (iv) "Agreement" means any agreement for the time being made between the Licensee and interstate or overseas authorities in Participating Areas for the conduct by them of Games of Lotto Strike;
  - (v) "Approved" means approved in writing by the Minister;
  - (vi) "Automatic Entry" means an Entry in respect of a Game of Lotto Strike made pursuant to verbal instruction or electronic instruction (not requiring completion of an Entry Form) wherein:
    - (1) the selection of Numbers is made by way of a Computer Linked Terminal; or
    - (2) the Numbers are the Numbers previously selected by the Player and stored in the central processing computer equipment of the Licensee.
  - (vii) "Bounded Area" means the area indicated as such by the symbols  or " " on the relevant Entry Form containing Numbers;
  - (viii) "Boxed Entry" means an Entry referred to in Rule 9;
  - (ix) "Chief Executive Officer" means the Chief Executive Officer of the Licensee or such delegate appointed by the Chief Executive Officer pursuant to Rule 3(f);

- (x) "Commission" means the amounts which the Licensee is approved to charge the Player for an Agent or Direct Mail Agent accepting and doing all things required to effect an Entry but which does not include a charge determined in accordance with Condition 17 (c) of the Licence;
- (xi) "Computer Linked Terminal" means computer equipment located in branches of the Licensee or places of Agents, Direct Mail Agents or otherwise which is linked to the central processing computer equipment of the Licensee for purposes associated with Games of Lotto Strike or Games of Promotional Lotto Strike;
- (xii) "Computer Records" means the sum of information which is provided to the Licensee by way of the Licensee's central processing computer equipment in respect of a Player and in respect of details of a Player's Entry in a Game of Lotto Strike and where appropriate a Player's entry in respect of a Game of Promotional Lotto Strike and which is retained or recorded on magnetic tape or otherwise stored;
- (xiii) "Corresponding Lotto Draw" means the Lotto Draw which is used to select the four (4) Winning Numbers for Lotto Strike;
- (xiv) "Direct Mail Agent" means an Agent, approved by the Minister, who is authorised by the Licensee to receive Subscriptions, Commissions and instructions in respect of a Game of Lotto Strike and instructions with respect to a Game of Promotional Lotto Strike from a Player. Such Direct Mail Agent may receive instructions by post, telephone, facsimile or modem (internet) and such Direct Mail Agent may receive Prizes for and on behalf of a Player;
- (xv) "Director" means a Director of the Board of Directors of the Licensee;
- (xvi) "Drawing" means:
  - (1) in relation to a Game of Lotto Strike (but not including a Second Drawing) the selection of the Winning Numbers by lot using a Drawing Device;
  - (2) in relation to a Second Drawing the selection of the Winning Numbers by lot using a Drawing Device;
- (xvii) "Drawing Date" in relation to a Game of Lotto Strike means the date on which the Winning Numbers are drawn in respect of that Game of Lotto Strike and, provided there is no inconsistency and where the context admits, includes the date on which the Winning Numbers are drawn in respect of a Second Drawing of a Game of Lotto Strike;
- (xviii) "Drawing Device" means equipment as Approved by the Minister from time to time used to conduct a Drawing;
- (xix) "Employee" means where the context refers to an employee or employees of the Licensee, such persons who are employed by the Licensee pursuant to the provisions of the New South Wales Lotteries Corporations Act 1996. In other contexts where appropriate "Employee" includes an employee of an Agent;

- (xx) "Entry" means the Numbers in a Game of Lotto Strike which have been recorded in the central processing computer equipment, which have been selected by way of an Entry Form or Automatic Entry, which (subject to Rule 6(f)) have been Imprinted on the same numbered line on a Ticket and in respect of which a Fee has been paid;
- (xxi) "Entry Form" means the Approved form to be completed by a Player wishing to enter a Game of Lotto Strike;
- (xxii) "Exchange Multi-Draw Ticket" means a Ticket issued to a Player:
- (1) who surrenders a Multi-Draw Ticket to collect or to claim a Prize won in respect of that Multi-Draw Ticket;
  - (2) where at the time the Prize is collected or claimed there is one or more Drawing/s remaining in respect of the Multi-Draw Ticket;
  - (3) where the Exchange Multi-Draw Ticket shall be Imprinted with the same Numbers as the Multi-Draw Ticket surrendered; and
  - (4) where the Exchange Multi-Draw Ticket shall be considered the Multi-Draw Ticket in respect of the remaining Drawings.
- (xxiii) "Fee" means the sum of the Commission and Subscription;
- (xxiv) "Game of Lotto" means a competition styled as "Lotto" conducted under the Act but does not include Promotional Lotto;
- (xxv) "Game of Lotto Strike" means a competition styled as "Lotto Strike" conducted under the Act but does not include a Game of Promotional Lotto Strike;
- (xxvi) "Game of Promotional Lotto Strike" means a public lottery conducted for the purpose of promoting a Game of Lotto Strike, and in respect of which:
- (1) eligibility to enter is confined to Players in a Game of Lotto Strike; and
  - (2) no further Subscription or Commission is charged;
- (xxvii) "Imprinted" means printed upon a Ticket by the Computer Linked Terminal;
- (xxviii) "Jackpot Competition" means the Game of Lotto Strike drawn on the day approved by the Licensee provided such competition occurs after any Drawing (other than a Second Drawing), including the drawing of a Jackpot Competition, in which no Ticket is eligible for a Prize under Rule 11(c) Division 1 (Strike 4)(i);
- (xxix) "Licence" means the Licence granted to New South Wales Lotteries Corporation pursuant to section 12 of the Act;



- (xxx) "Licensee" means New South Wales Lotteries Corporation, a corporation constituted pursuant to section 5 of the New South Wales Lotteries Corporatisation Act 1996;
- (xxxii) "Lotto Draw" means the drawing of the Game of Lotto in accordance with the Licence granted to the Licensee;
- (xxxiii) "Malfunction" means a failure of the Drawing Device to operate in the manner in which it is designed to operate.
- (xxxiiii) "Mark" means the drawing of a vertical line "I" within a Bounded Area "◇" or a cross "X" within a Bounded Area "□" in blue or black ink on an Entry Form. "Marked" or "Marking" shall have corresponding meanings;
- (xxxv) "Maximum Jackpot Competition Prize" means the maximum amount payable as a Prize in a Jackpot Competition as approved by the Licensee from time to time;
- (xxxvi) "Minister" means the Minister for the time being administering the Act;
- (xxxvii) "Monday Competition" means the Game of Lotto Strike drawn, unless the Licensee determines otherwise, on the Monday of each week;
- (xxxviii) "Multi-Draw Entry" means an Entry where the same Numbers are valid for more than one Drawing;
- (xxxix) "Multi-Draw Ticket" means a Ticket issued in respect of more than one Drawing;
- (xl) "Numbers" has the same meaning as section 5 of the Act;
- (xli) "Panel" means a separate matrix on an Entry Form consisting of four (4) lines, each line consisting of the Numbers 1 to 10 (inclusive) and 20, 30 and 40;
- (xlii) "Participating Area" means a State, Territory or Country in which a person is authorised to conduct Games of Lotto Strike under a corresponding law;
- (xliii) "Player" means a person whom:
- (1) has submitted an Entry; and
  - (2) holds, bears and submits a Ticket to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize; and
- includes where relevant a person who has validly entered a Game of Promotional Lotto Strike and who holds, bears and submits a ticket in the Game of Promotional Lotto Strike to the Licensee, an Agent or a Direct Mail Agent for the purposes of receiving a Prize;
- (xliv) "Prize" means any Prize determined in accordance with Rule 11;

- (xliii) "Prize Fund" means an account established under section 27 of the Act and known as the Lotto Strike Prize Fund Account;
- (xliv) "Prize Pool" means the amount allocated for the payment of Prizes being not less than sixty percent (60%) of all Subscriptions received for a particular Game of Lotto Strike;
- (xliv) "Prize Reserve Fund" means the fund located in the Prize Fund under section 27 of the Act and known as the Prize Reserve Fund;
- (xlvi) "Provisional Period" means the period of consecutive calendar days approved from time to time by the Licensee which starts on the day immediately following the Drawing Date, and which shall be no longer than twenty one (21) consecutive calendar days;
- (xlvii) "Provisional Prize" is a Prize in Division 1 and/or a Prize (or additional Prize in the case of a Second Drawing) that exceeds \$1,000.00 as shown on a Computer Linked Terminal;
- (xlviii) "Provisional Prize Winner" means a Player who holds a Ticket which is eligible for a Provisional Prize;
- (xlix) "Registered Player" means a Player whose personal details have been provided to the Licensee which have been recorded for the purpose of providing a player registration service (which may be approved from time to time by the Chief Executive Officer) to that Player;
- (l) "Rules" means these Rules made under the Act, any amendment, modification, variation, or abrogation thereof for the time being in force;
- (li) "Saturday Competition" means the Game of Lotto Strike drawn, unless the Licensee determines otherwise, on the Saturday of each week;
- (lii) "Second Drawing" means an additional Drawing conducted as part of a Game of Lotto Strike in accordance with the Rules;
- (liii) "Standard Entry" means an Entry referred to in Rule 8;
- (liv) "Subscription" means the amount Approved, excluding Commission, and any additional amount determined in accordance with the Licence, which a Player shall be charged for an Entry in a Game of Lotto Strike;
- (lv) "Ticket" means the receipt, whether it be in documentary, electronic or other form, which is the official confirmation that a Player has submitted an Entry in a Game of Lotto Strike, and which:
  - (1) contains Entry details; and
  - (2) may include a Ticket Serial Number and other such security tests to determine the identity, validity and status (including Prize entitlement) of the Ticket; and

- (3) may include other particulars such as, where appropriate, an Automatic Entry indicator;
- (lvi) "Ticket Serial Number" means the numbers and/or letters Imprinted on Tickets and which constitute an official identification of the issue of a Ticket;
- (lvii) "Wednesday Competition" means the Game of Lotto Strike drawn, unless the Licensee determines otherwise, on the Wednesday of each week;
- (lviii) "Winning Numbers" in relation to a Game of Lotto Strike (including a Second Drawing) means a number or numbers corresponding with, and selected in the exact same order as, one, some or all of the first four (4) Winning Numbers drawn in the corresponding Lotto Draw.

Example:

Numbers selected, in order of selection, are:

5, 10, 15, 20

The Winning Numbers drawn in the corresponding Lotto Draw, in order of drawing, are:

6, 5, 15, 20

The Winning Numbers are:

15, 20

- (b) In these Rules unless inconsistent with the context:
  - (i) a reference to the singular shall include the plural, and vice versa;
  - (ii) headings are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

**RULE 2            CONDUCT AND DRAWINGS OF GAMES OF LOTTO STRIKE AND  
CONDUCT OF GAMES OF PROMOTIONAL LOTTO STRIKE**

- (a) These Rules are to be read subject to the Act and shall apply, where the context permits, to every Game of Lotto Strike and Game of Promotional Lotto Strike.
- (b) All decisions made by the Chief Executive Officer concerning the Prize Fund and the declaration and payment of Prizes shall be final and binding on all Players.
- (c) Games of Lotto Strike will be drawn on Monday, Wednesday and Saturday of each week unless the Licensee determines otherwise.

- (d) Drawings undertaken in the State of New South Wales shall be conducted by the Licensee and supervised by a person or persons nominated by the Minister in accordance with drawing procedures agreed between the Licensee and the Minister's nominee;

Certification of the validity of a drawing by the Minister's nominee(s) shall be final and binding on all players and syndicate players.

Where a Malfunction occurs:

- (i) only the Number/s drawn before a Malfunction has commenced shall be Winning Number/s;
- (ii) in the event that any Winning Number/s are still to be selected after the Malfunction:
- (1) the Drawing shall commence or re-commence, as the case may be, as soon as practicable after the rectification of the Malfunction; or
  - (2) where the Malfunction cannot be rectified, the Drawing shall commence or re-commence, as the case may be, using a substitute Drawing Device as soon as practicable after the commencement of the Malfunction and shall continue until all Winning Numbers are drawn.
- (e) Drawings conducted outside the State of New South Wales shall be conducted and supervised in accordance with the requirements of the relevant regulatory body for the State or Territory in which the Drawings are conducted.
- (f) The Licensee may conduct a Game of Promotional Lotto Strike in such manner and at such times and places as the Chief Executive Officer determines, including (but not limited to), at the absolute discretion of the Chief Executive Officer, the conduct of a Game of Promotional Lotto Strike in conjunction with another Game of Lotto or separately from a Game of Lotto Strike or otherwise in conjunction with another lottery conducted by the Licensee.
- (g) A Game of Promotional Lotto Strike shall, at commencement, have a Prize structure as determined by the Chief Executive Officer.
- (h) The Prize structure for a Game of Promotional Lotto Strike shall comprise the number, nature and value of Prizes to be offered by the Licensee to Players during the period of each Game of Promotional Lotto Strike.
- (i) During the period in which the Licensee accepts entries in a Game of Promotional Lotto Strike some of the Prizes in the approved Prize structure may already have been won when a Player enters the Game of Promotional Lotto Strike leaving the balance of Prizes still available to be won by Players at the time of their respective entries.

- (j) There shall be no obligation or liability imposed upon the Licensee whatsoever to advise or otherwise inform prospective Players in a Game of Promotional Lotto Strike of the number, nature or value of Prizes still available to be won by them at the time of their proposed entry into a Game of Promotional Lotto Strike.
- (k) A ticket in a Game of Promotional Lotto Strike may include one or more Prizes to be won on the same ticket.
- (l) A Game of Promotional Lotto Strike may require the Player to have a winning Number on more than one ticket in order to win a Prize.

### **RULE 3 APPLICATION OF RULES**

- (a) All instructions and conditions printed on the Entry Form and Ticket and these Rules shall apply to each Game of Lotto Strike and shall be binding on all Players.
- (b) In the event of any inconsistency between these Rules and the instructions and conditions printed on the Entry Form and Ticket these Rules shall prevail.
- (c) Where the context permits, these Rules shall apply to each Game of Promotional Lotto Strike and shall be binding on all Players.
- (d) By entering a Game of Lotto Strike or Game of Promotional Lotto Strike Players agree to be bound by these Rules and to accept as final and binding on them all decisions made by the Chief Executive Officer.
- (e) An Agent, including a Direct Mail Agent, has no authority to bind the Licensee in contract or otherwise.
- (f) The Chief Executive Officer may appoint a delegate to perform a function under these Rules which function would otherwise be required to be performed by the Chief Executive Officer. Such appointment shall be on such terms and conditions as the Chief Executive Officer may determine.
- (g) Any reference to the Chief Executive Officer in these Rules shall include a reference to a duly authorised delegate of the Chief Executive Officer under Rule 3(f).
- (h) These Rules will be displayed and made available for inspection at each Agency.

### **RULE 4 OBJECT**

The object of the Game of Lotto Strike is to select four (4) Numbers in a Panel, which Numbers are in the exact same order as the first four (4) Winning Numbers drawn in the corresponding Lotto Draw.

**RULE 5 ELIGIBILITY FOR INCLUSION IN A GAME OF LOTTO STRIKE**

In order to be eligible for inclusion in a particular Game of Lotto Strike, a Ticket must issue to the Player following acceptance of an Entry by a Computer Linked Terminal before the Drawing of that game. Any such Ticket shall be subject to Rule 6(g) hereof. Entry into a Game of Lotto Strike is contingent on an Entry into a Game of Lotto being taken immediately prior to the Lotto Strike Entry being purchased ie: in the same transaction.

**RULE 6 RULES APPLYING TO ENTRY FORMS AND TICKETS**

(a) A Lotto Strike Entry may be effected by using a Lotto Strike Entry Form or by Marking the Strike Bounded Area on a Lotto Entry Form. A Lotto Strike Entry Form shall consist of Panels that must be completed in the numerical order shown on the said form commencing with the top left hand Panel. A Player shall not Mark an Entry Form other than by hand unless the prior approval of the Licensee has been obtained. Without this approval such Entry Form will not be considered to be properly completed and a Player claiming a resultant Prize may not be entitled to payment of the Prize.

(b) Where a Lotto Strike Entry Form is used to effect an Entry, each Number selected must be Marked.

A Number greater than 10, which is not 20, 30 or 40, must be selected by Marking, in accordance with this provision, the two Numbers the sum of which total the Number to be selected.

Example:

The Number 25 is to be selected by Marking the Numbers 5 and 20.

(c) Each Lotto Strike Entry Form will contain Bounded Areas "Mon", "Wed" or "Sat". An Entry in the Monday Competition and/or Wednesday Competition and/or Saturday Competition must be made by Marking "Mon" and/or "Wed" and/or "Sat" on the Entry Form. An Entry in the Monday Competition only must be made by marking "Mon" on the Entry Form. An Entry in the Wednesday Competition only must be made by Marking "Wed" on the Entry Form. An Entry in the Saturday Competition only must be made by Marking "Sat" on the Entry Form. In the case of entries submitted by Post, if none of "Mon", "Wed" or "Sat" is marked on the Entry Form the Chief Executive Officer shall determine the Competition(s) in which entry shall be effected. A Boxed Entry must be made by Marking the Bounded Area "Boxed Selection" on the Entry Form. An Auto Pick Entry must be made by Marking the Bounded Area "Auto Pick" on the Entry Form.

(d) Where a Lotto Strike Entry is effected by Marking the Strike Bounded Area on a Lotto Entry Form, the Drawing Date for such Entry will be the same as the Drawing Date in respect of the Lotto Draw for which the Lotto Entry Form has been submitted.

(e) A completed Entry Form or any other form of entry (including Automatic Entry) completed or made in accordance with these Rules shall be accepted by an Agent and processed on a Computer Linked Terminal and evidenced by the issue of the Ticket to the Player. It is the responsibility of the Player to check the accuracy of all details on the Entry Form or other form of Entry at the time of presentation to the Agent for processing.

- (f) Subject to paragraph (h) below acceptance of a Ticket by a Player shall constitute the Player's acknowledgment of the correctness of the details (including Entry details) thereon. The Ticket issued to a Player shall be the only form of acknowledgment issued by the Licensee or its Agent or Direct Mail Agent to the Player evidencing the Player's Entry. It is the responsibility of the Player to check the accuracy of all details on the Ticket at the time it is received by a Player from the Agent. No Entry Form shall have any validity or be of evidence for any purpose after the Ticket has been taken by the Player from the Agent.
- (g) In the event that the details recorded on the Player's Ticket are not consistent with the details held by the Licensee by way of Computer Records then the latter shall apply to the exclusion of the former and shall determine what Prize, if any, the Player shall be entitled to and the Player shall be bound by any such determination.
- (h) A Player may return a Ticket and request that it be cancelled by an Agent. The Agent shall cancel the Ticket on that day provided it is returned on the day of purchase, to the place of purchase and prior to the Drawing of the Game of Lotto Strike entered. At the request of a Player, the Licensee may, in its absolute discretion and subject to the capability of its central processing computer equipment, at any time prior to the Drawing of the Game of Lotto Strike entered effect a cancellation of a Ticket at the Licensee's central processing computer equipment host site. When a Ticket has been cancelled the Player shall be refunded the Fee paid in respect of such Ticket. A cancelled Ticket shall be void and no Prize shall be payable by the Licensee in respect of such Ticket.
- (i) A Ticket which is recorded as void or cancelled in the Licensee's Computer Records shall be void regardless of whether such Ticket was cancelled in error by an Agent or the Licensee or otherwise, and no Prize shall be payable in respect of such Ticket. It is the responsibility of the Player to check the cancellation receipt provided by the Agent or the Licensee to the Player to ensure that the correct Ticket has been cancelled. It is the responsibility of the Player to inform the Agent or the Licensee if there has been an error in relation to cancellation of the Ticket. Neither the Agent nor the Licensee shall be liable to the Player in respect of an error in the cancellation of a Ticket if the Player has failed to inform the Agent or the Licensee, at the time of receiving the cancellation receipt, of the error in the cancellation of a Ticket.
- (j) Where Numbers in a Game of Lotto Strike have been produced via a Computer Linked Terminal and recorded in the central processing computer equipment but:
- (i) no Commission or Subscription has been received prior to the close of selling for the Drawing in respect of that Game of Lotto Strike by the Agent in whose place of business the Computer Linked Terminal is located; and
  - (ii) the Agent has failed to cancel the Numbers before the Drawing; then
- the Agent shall be liable for and shall meet the cost of the Commission and Subscription in respect of the Numbers and in such case, for the purposes of these Rules, such Agent shall be considered to have paid the Fee and shall be considered a Player, and shall be the holder of the Entry.



- (k) The Licensee shall not be liable for any errors or omissions in respect of a Registered Player's selections as recorded on the Computer Records. It is the responsibility of the Registered Player to check that the Numbers and other details shown on a Ticket are correct.
- (l) A Direct Mail Agent has no authority to verify the accuracy or completion by a Player of any part of an Entry Form or a Ticket. Entry into a Game of Lotto Strike by a Player with a Direct Mail Agent does not exempt the Player from being bound by these Rules and a Player utilising a Direct Mail Agent to submit an Entry Form shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such Entry Form, the issue of any Ticket and the payment of any Prize.
- (m) Neither the licensee nor an Agent shall be liable to a Player in the event of the destruction, loss, theft or mutilation of a Ticket issued to a Player. It shall be the sole responsibility of the Player to ensure the safe custody of a Ticket issued to the Player.
- (n) A Ticket shall at all times remain the property of the Licensee and a Player shall deliver up any Ticket to the Licensee upon demand.

#### **RULE 7            COMMISSION**

The Licensee is Approved to charge the Player Commission in the amounts specified in Schedule 1 of these Rules. By entering a Game of Lotto Strike the Player accepts liability to pay the Commission to the Licensee. The Subscriptions quoted in Rules 8 and 9 exclude Commission.

#### **RULE 8            STANDARD ENTRY**

- (a) A Standard Entry is the selection of four (4) Numbers and may be made by way of an Entry Form or via Automatic Entry.
- (b) Where a Lotto Strike Entry Form is used to effect a Standard Entry, four (4) Numbers shall have been Marked in each Panel, comprising one (1) Number in each line in each Panel.
- (c) No fewer than one (1) Panel must be completed on an Entry Form for each Standard Entry. Additional Panels may be completed up to the total number of Panels shown on the Entry Form.
- (d) The Subscription for each Standard Entry shall be:
  - (i) In respect of both the Monday Competition and Wednesday Competition, \$2.00 where one (1) Panel is selected and \$2.00 for each additional Panel selected.
  - (ii) In respect of both the Monday Competition and Saturday Competition, \$2.00 where one (1) Panel is selected and \$2.00 for each additional Panel selected.
  - (iii) In respect of both the Wednesday Competition and Saturday Competition, \$2.00 where one (1) Panel is selected and \$2.00 for each additional Panel selected.



- (iv) In respect of the Monday Competition, Wednesday Competition and Saturday Competition, \$3.00 where one (1) Panel is selected and \$3.00 for each additional Panel selected.
- (v) In respect of either the Monday Competition or Wednesday Competition or Saturday Competition, \$1.00 where one (1) Panel is selected and \$1.00 for each additional Panel selected.
- (e) If more than four (4) Numbers in a Panel are Marked on an Entry Form in respect of a Standard Entry which has been forwarded to the Licensee by post, the Licensee shall disregard the highest Numbers in each line in that Panel in descending arithmetical sequence until four (4) Marked Numbers in the Panel, comprising one Number in each line in that Panel, remain.
- (f) If less than four (4) Numbers in a Panel, comprising one Number in each line in a Panel, are Marked on an Entry Form in respect of a Standard Entry which has been forwarded to the Licensee by post, entry into a Game of Lotto Strike shall not take effect and the Licensee shall return the Entry Form together with any monies therewith to the Player.

#### **RULE 9            BOXED ENTRY**

- (a) A Boxed Entry may be made by way of an Entry Form or via Automatic Entry. A Boxed Entry represents the twenty four (24) combinations of four (4) selected Numbers.
- (b) Where a Boxed Entry is effected using an Entry Form, four (4) Numbers and the Bounded Area "Boxed Selection" are Marked on that form.
- (c) Only one Panel on the Entry Form may be Marked in respect of a Boxed Entry. An Automatic Entry may include no more than one (1) Boxed Entry.
- (d) Notwithstanding any other provision in these Rules, where a Mark on an Entry Form for a Boxed Entry which has been forwarded to the Licensee by post has not been made in accordance with this Rule 9, the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, accept such Entry Form and interpret any selections thereon in such manner and having regard to such factors as the Chief Executive Officer determines. Thereafter such Boxed Entry shall be included in that Game of Lotto Strike and any subsequent evaluation thereof for the purpose of determining the Player's entitlement to a Prize shall be made in accordance with the Chief Executive Officer's interpretation.
- (e) The Subscription for a Boxed Entry in respect of one Drawing is \$24.00. In respect of a Boxed Entry in:
  - (i) Both the Monday Competition and Wednesday Competition, the Subscription is \$48.00.
  - (ii) Both the Monday Competition and Saturday Competition, the Subscription is \$48.00.
  - (iii) Both the Wednesday Competition and Saturday Competition, the Subscription is \$48.00.

- (iv) The Monday Competition, Wednesday Competition and Saturday Competition, the Subscription is \$72.00.

**RULE 10 SUBMISSION OF AN ENTRY FORM**

- (a) The Licensee may impose a registration fee payable by a Player for the provision by the Licensee of the player registration service. Application will be by way of an application form as approved by the Chief Executive Officer.
- (b) A person under the age of eighteen (18) years shall not enter a Game of Lotto Strike or Game of Promotional Lotto Strike.
- (c) An Entry or Automatic Entry may only be made through:
- (i) an Agent; or
  - (ii) a Direct Mail Agent; or
  - (iii) by post in accordance with paragraphs (l), (m) and (n) of this Rule provided that the Player is a Registered Player or becomes a Registered Player as a result of that Entry.
- (d) The correct Fee and player registration fee (if applicable) must be paid by a Player to an Agent or to a Direct Mail Agent or to the Licensee in respect of an Entry.
- (e) The Licensee may authorise its Agents, for fee or reward, to promote or take part in the formation of a syndicate for the purpose of purchasing an Entry in, or subscribing to, a Game of Lotto Strike.
- (f) The form of payment of the Fee and player registration fee (if applicable) must be acceptable to the Chief Executive Officer.
- (g)
- (i) If anonymity is desired the Player should clearly so indicate on the appropriate Prize claim form or indicate same when completing application to become a Registered Player. Players who subsequently desire anonymity should apply in writing to the Chief Executive Officer prior to the publication of the Player's name and address pursuant to the provisions of Rule 12(b)(i) and if in the opinion of the Chief Executive Officer sufficient time is available to prevent publication then the Chief Executive Officer may grant such application and withhold publication.
  - (ii) All correspondence to the Chief Executive Officer in accordance with Rule 10(g)(i) should be addressed:-

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (h) All Marks appearing on an Entry Form are taken to be made or given exclusively by the Player.
- (i) Where a Player submits an Entry Form or other form of Entry as trustee, representative or nominee for another person or persons, the Licensee will be taken to have no knowledge, nor to be on notice whether actual or constructive, of any such arrangement and the transaction will be conducted solely with the Player.
- (j) An Entry Form or Automatic Entry instructions must be received by the Licensee or an Agent in sufficient time to be processed before the Drawing relating to that Entry. For the purposes of this paragraph an Entry will be taken to be received when details thereof have been recorded on the central processing computer equipment held by the Licensee and the Ticket has issued from a Computer Linked Terminal.
- (k) Other than as provided for in Rule 6(h) no Ticket may be withdrawn or altered after issue to a Player without the consent of the Licensee.
- (l) A Player may post an Entry Form to the Licensee at the following address:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer.

- (m) An Entry Form sent by post must be accompanied by the correct Fee and player registration fee (if applicable) and a stamped self-addressed envelope. The said form will be entered by the Licensee in the Drawing of the first Monday Competition or Wednesday Competition or Saturday Competition for which it has been received in time to be processed. The Licensee will process the form and post it and the Ticket to the address shown on the stamped self-addressed envelope.

A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of the same and neither the Licensee nor the Chief Executive Officer shall be liable or responsible for the delivery of Tickets so posted.

- (n) Fees and player registration fees payable in respect of Entry Forms sent by post may be paid by postal note, or bank, building society or personal cheque. Fees and player registration fees exceeding \$400.00 payable in respect of Entry Forms sent by post may only be paid by personal cheque with the prior written agreement of the Chief Executive Officer.
- (o) Form of entry in a Game of Promotional Lotto Strike
  - (i) The Chief Executive Officer is to approve the form of entry for a Game of Promotional Lotto Strike;

- (ii) Without limiting Rule 10 (o)(i), the form of entry in a Game of Promotional Lotto Strike may be any of the following (or combination of the following):
  - (1) part of a Ticket;
  - (2) any other ticket or document; and
  - (3) entries made by means of an electronic or mechanical device or by telecommunications system.
- (iii) If any entry in a Game of Promotional Lotto Strike is to consist of a ticket, part of a Ticket or document, such ticket, part of a Ticket or document issued to an entrant in a Game of Promotional Lotto Strike:
  - (1) constitutes the Player's official receipt;
  - (2) is, following its acceptance, to constitute the Player's acknowledgment of the details on the entry, and acknowledgment that those details are correct; and
  - (3) is to be the only document issued by the Licensee, its Agents or Direct Mail Agents to the entrant evidencing the processing of an entry in the Game of Promotional Lotto Strike.

#### **RULE 11            DETERMINATION OF PRIZES**

- (a) Prizes for each Game of Lotto Strike shall be paid by the Licensee from the Prize Pool in the percentage specified in this Rule and shall be classified as Division 1 (Strike 4), Division 2 (Strike 3), Division 3 (Strike 2) and Division 4 (Strike 1) Prizes.
- (b) Any such Prize shall, where only one (1) Entry is eligible for that Prize, be payable in respect of that Entry, or shall where two (2) or more Entries are eligible for that Prize, be shared equally between those Entries.
- (c) Subject to a rounding up process (which shall be to the nearest sum containing a ten (10) cent multiple) the Prize Pool shall be distributed as nearly as possible in the percentages shown below. Monies required for rounding up shall be drawn from the Prize Reserve Fund. Where there is no winner in any one division, subject to the provisions of Division 1 (Strike 4) (ii) of this paragraph (c) the Prize money payable in respect of that division shall be added to the Prize money allocated to the next lower division in the order as shown below. Where there is no winner in Division 3 (Strike 2) the Prize money payable in respect of that division shall be added to the Prize money allocated to the next higher division.

Where there is no winner in Division 2 (Strike 3) and Division 3 (Strike 2) the Prize money payable in respect of those divisions shall be added to the Prize money allocated to Division 1 (Strike 4) and jackpotted to the Jackpot Competition if not won in the current Draw.

## Division 1 (Strike 4):

- (i) A minimum Prize of an amount equal to \$100,000.00 shall be payable in respect of any Entry which, or shall be shared equally between any two (2) or more Entries each of which, contains all four (4) of the Winning Numbers.
- (ii) If no Prize in this division is payable in respect of any Entry in accordance with (i) above, the Prize which would otherwise have been payable shall be retained in the Prize Fund so as to form part of the monies which are payable in respect of any Entry which, or shared equally between any two (2) or more Entries each of which, contains all the Winning Numbers in the Jackpot Competition, provided that at no time shall a Prize in a Jackpot Competition exceed the Maximum Jackpot Competition Prize.
- (iii) Where the Jackpot Competition Prize has reached the approved maximum level as provided in (ii) above, those monies in excess of the approved maximum level that would otherwise have been payable shall be retained in the Prize Fund so as to form part of any Prize payable in accordance with (i) above.

## Division 2 (Strike 3):

A Prize of an amount equal to 10% shall be payable in respect of any Entry which, or shall be shared equally between any two (2) or more Entries each of which, contains three (3) Winning Numbers.

## Division 3 (Strike 2):

A Prize of an amount equal to 45% shall be payable in respect of any Entry which, or shall be shared equally between any two (2) or more Entries each of which, contains two (2) Winning Numbers.

## Division 4 (Strike 1):

A Prize of one (1) free Standard Automatic Entry shall be payable in respect of any Entry which contains one (1) Winning Number.

- (d) Notwithstanding any provision of these Rules as to the payment of Prizes, where the total amount payable (whether to one (1) Entry alone or two (2) or more Entries in equal shares) in respect of the Prize described in Rule 11 (c) Division 1 (Strike 4) (i) and (ii) in a Game of Lotto Strike would, but for this condition, be less than \$100,000.00 the Prize so payable shall be in the amount of \$100,000.00.
- (e) Second Drawing

The Licensee may, subject to the Approval of the Minister, and shall where the Minister so directs, provide for the payment of an additional Prize or Prizes, in accordance with the Conditions of the Licence, by means of a Second Drawing in any Game of Lotto Strike whether following a Monday Competition and/or Wednesday Competition and/or Saturday Competition, provided that:

- (i) the Second Drawing shall be conducted following the Drawing of the Monday Competition and/or Wednesday Competition and/or Saturday Competition;
  - (ii) an Entry made in respect of the Monday Competition or Wednesday Competition or Saturday Competition shall be automatically entered into the Second Drawing in respect of that Monday Competition or Wednesday Competition or Saturday Competition and such Entry shall not require the payment of any further Subscription;
  - (iii) the Prize or Prizes payable in relation to the Second Drawing shall be payable in respect of any Entry which, or shall be shared equally between any two (2) or more Entries each of which, contains all the Winning Numbers;
  - (iv) the amount or amounts of such Prize or Prizes shall be determined by the Chief Executive Officer and shall be paid from the Prize Reserve Fund;
  - (v) the Second Drawing shall not constitute a separate Game of Lotto Strike but shall be part of either a Monday Competition and/or Wednesday Competition and/or Saturday Competition.
- (f) A Game of Lotto Strike may include an additional Prize or Prizes paid on special occasions or pursuant to Rule 11 (e) (as Approved by the Minister from time to time). Any such Prize or Prizes may be paid in monetary terms or in kind and shall be paid from the Prize Reserve Fund.
- (g) Prizes in a Game of Promotional Lotto Strike
- (i) The Prizes payable in a Game of Promotional Lotto Strike may consist of one or more of the following:
    - (1) money;
    - (2) holidays;
    - (3) travel;
    - (4) accommodation;
    - (5) services or goods provided by the Licensee or by persons or bodies other than the Licensee, whether or not for valuable consideration; and
    - (6) such other Prizes as may (subject to this clause) be determined by the Chief Executive Officer.
  - (ii) A Prize in a Game of Promotional Lotto Strike must not consist of or include tobacco.
  - (iii) A Prize in a Game of Promotional Lotto Strike may not consist of or include liquor within the meaning of the Liquor Act 1982.

- (h) Determination of Prizes in a Game of Promotional Lotto Strike
- (i) The Chief Executive Officer is to determine the number, nature and value of Prizes in each Game of Promotional Lotto Strike.
  - (ii) The Licensee is to publicly advertise the number, nature and value of, and the conditions relating to payment of, Prizes in each Game of Promotional Lotto Strike conducted by it.
  - (iii) The Chief Executive Officer may change or alter the nature of any Prize offered in a Game of Promotional Lotto Strike, including (but not limited to) the following:
    - (1) the replacement of any holiday destination offered as a Prize or part of a Prize with another holiday destination;
    - (2) the replacement of any mode of travel offered as a Prize or part of a Prize with another mode of travel;
    - (3) the replacement of any form of accommodation offered as a Prize or part of a Prize with another form of accommodation;
    - (4) the resupply of services or the replacement of goods provided by the Licensee or by persons or bodies other than the Licensee; and
    - (5) the conversion of any Prize (or part of a Prize) provided by the Licensee or by another person or body into a monetary equivalent.
  - (iv) The Prizes in a Game of Promotional Lotto Strike are payable in such manner as is approved by the Chief Executive Officer for the purposes of that Game of Promotional Lotto Strike.

**RULE 12 ANNOUNCEMENT OF PROVISIONAL PRIZE WINNERS AND PRIZE-WINNERS**

- (a) Following each Drawing of a Game of Lotto Strike the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:
- (i) the Winning Numbers;
  - (ii) the amount of the Prize Pool allocated to each Division;
  - (iii) the value of the Provisional Prizes and the number of Provisional Prize Winners; and
  - (iv) the value of Prizes and the number of Prize-winners in respect of Division 2, Division 3 and Division 4.
- (b) Following each Drawing of a Game of Lotto Strike the Licensee may make available to the media (and elsewhere at the Chief Executive Officer's discretion) as soon as possible after, and in respect of, that Drawing:



- (i) the names and addresses of Provisional Prize Winners except where either anonymity applies in accordance with Rule 10(g)(i) or where Provisional Prize Winners are not Registered Players;
  - (ii) information on the manner of payment of Prizes; and
  - (iii) the manner in which claims under Rules 13(a), 13(h), 13(i) and 13(k) must be made.
- (c) Where appropriate the Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Game of Promotional Lotto Strike as soon as possible after the completion of such Game of Promotional Lotto Strike.
- (d) The Licensee shall make available to the media (and elsewhere at the Chief Executive Officer's discretion) the results of each Second Drawing as soon as possible after the completion of that Second Drawing.

**RULE 13            PROCEDURES FOR CLAIMING AND PAYMENT OF PRIZES AND PROVISIONAL PRIZES**

In relation to a Game of Lotto Strike:

- (a)
- (i) Other than as provided for Registered Players, any Provisional Prize must be claimed by lodgement with the Licensee of a Prize claim form containing or accompanied by the like particulars set out in Rule 13(l) and any other evidence that the Chief Executive Officer may from time to time require;
  - (ii) The date of lodgement of a Prize claim in accordance with Rule 13(a)(i) is the day of receipt by the Licensee;
  - (iii) Notwithstanding Rule 13(a)(i) and (ii) and Rule 13(i) hereof, the Drawing Date for an Entry made in
    - (1) the Wednesday Competition and Saturday Competition will be the relevant Saturday, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
    - (2) the Wednesday Competition and Monday Competition will be the relevant Monday, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
    - (3) the Saturday Competition and Monday Competition will be the relevant Monday, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
    - (4) the Saturday Competition and Wednesday Competition will be the relevant Wednesday, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
    - (5) the Monday Competition and Wednesday Competition will be the relevant Wednesday, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and



- (6) the Monday Competition and Saturday Competition will be the relevant Saturday Competition, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
  - (7) the Wednesday Competition, Saturday Competition and Monday Competition will be the relevant Monday Competition, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
  - (8) the Saturday Competition, Monday Competition and Wednesday Competition will be the relevant Wednesday Competition, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto; and
  - (9) the Monday Competition, Wednesday Competition and Saturday Competition will be the relevant Saturday Competition, and a Prize claim form, together with the winning Ticket shall not be lodged prior thereto.
- (b) A Registered Player winning a Provisional Prize which exceeds \$10,000 will be notified personally or by mail within five (5) calendar days after the Drawing Date. In respect of any Provisional Prize won by a Registered Player, the Chief Executive Officer may require a Registered Player to lodge with the Licensee a Prize claim form containing or accompanied by the like particulars set out in Rule 13(l) hereof;
- (c) For Registered Players, where a:
- (i) Prize must be claimed in accordance with Rule 13(b) hereof, the Prize may be paid in accordance with the procedure and conditions set out in Rule 13(a) hereof; and
  - (ii) Prize of one (1) free Standard Automatic Entry is to be paid in accordance with Rule 11(c) Division 4, such Prize will be paid by an Agent with a Computer Linked Terminal upon surrender of a winning Ticket not earlier than the day immediately after, and not later than eight (8) weeks after, the relevant Drawing Date. Such Prizes not so claimed will be paid by the Licensee after the expiry of eight (8) weeks after the Drawing Date.
- (d) A Provisional Prize, including a Provisional Prize determined in accordance with Rule 13(j), shall not be payable as a Prize until after the expiry of the Provisional Period or six (6) calendar days after the lodgement of a Prize claim form, whichever is the later, and shall be payable by cheque or, if requested by the Prize Winner, by electronic funds transfer;
- (e) For a Registered Player, all Prizes not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period not less than eight (8) weeks. Prizes not so claimed will be paid by the Licensee by cheque or at the discretion of the Licensee by electronic funds transfer after the expiry of eight (8) weeks after the Drawing Date; a sum representing the cost of processing as approved by the Chief Executive Officer will be deducted therefrom;

- (f) For a Player who is not a Registered Player, all Prizes not exceeding \$1,000.00 shown on a Computer Linked Terminal will be paid to a Player, upon surrender of a winning Ticket, by an Agent with a Computer Linked Terminal within a period of time determined by the Chief Executive Officer, this being a period not less than eight (8) weeks;
- (g) Subject to Rules 13(a), 13(b), 13(c), 13(d), 13(e) and 13(f) above, a Player being eligible for a Prize on a Multi-Draw Ticket may claim or collect that Prize and be issued with an Exchange Multi-Draw Ticket for any subsequent valid Drawings;
- (h) Prizes not paid by an Agent in accordance with Rule 13(f) will be paid by the Licensee by cheque or, at the discretion of the Licensee, by electronic funds transfer upon the submission to the Licensee of a Prize claim form, the Prize winning Ticket and such other evidence as the Chief Executive Officer may from time to time require. A sum representing the cost of processing as approved by the Chief Executive Officer will be deducted from the Prizes so paid;
- (i) A:
- (i) Registered Player who claims to be entitled to a Provisional Prize pursuant to Rule 13(b) and who has not been notified within five (5) days in accordance with Rule 13(b); or
- (ii) Player who claims to be entitled to a Provisional Prize;
- must claim immediately by written application to the Licensee at the address printed on the Prize claim form and such Prize claim form must contain or be accompanied by the like particulars set out in Rule 13(l) and be received by the Licensee within a period approved from time to time by the Licensee, but not later than ten (10) consecutive calendar days after the Drawing Date, starting the day immediately following the Drawing Date.
- A claim not received in accordance with this Rule 13(i) will be rejected and the Licensee shall have no liability in relation thereto;
- (j) The Entry subject of a claim for a Provisional Prize made in accordance with Rule 13(i) shall be entitled to that Provisional Prize if it is found by the Licensee to be a winning Entry before the expiry of the Provisional Period, and in such case the Provisional Prize amount shall be varied to take into account the new Provisional Prize Winner;
- (k) A:
- (i) Player who claims to be entitled to a Prize not exceeding \$1,000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal; or
- (ii) Registered Player who claims to be entitled to a Prize not exceeding \$1000.00 and whose Ticket is not shown as a winner on a Computer Linked Terminal and/or where the Prize has not has not been paid in accordance with Rule 13(e);

must lodge a Prize claim form containing or accompanied by the particulars set out in Rule 13 (l);

- (l) The particulars required in accordance with Rules 13(a), 13(b), 13(i) and 13(k) are:
- (i) the name and address of the Player;
  - (ii) the Ticket Serial Number;
  - (iii) the Numbers included on the relevant numbered line on the Ticket;
  - (iv) the Player's registration number if a Registered Player;
  - (v) the Ticket, which must be legible and be consistent with the details held by the Licensee's Computer Records and must not be mutilated, altered, reconstituted, counterfeit or stolen; and
  - (vi) such further evidence or information as the Licensee requires;
- (m) A Division 4 (Strike 1) Prize not claimed through a Computer Linked Terminal within a period of time determined by the Chief Executive Officer will be processed in accordance with the following:
- (i) A Registered Player who wins a cash Prize and a Division 4 (Strike 1) Prize:
    - (1) where the cash Prize is a Provisional Prize, the Division 4 (Strike 1) Prize will be converted to cash and the total remittance due will be paid by the Licensee by cheque or, if requested by the Prize-winner, by electronic funds transfer;
    - (2) where the cash Prize does not exceed \$1,000.00, the Division 4 (Strike 1) Prize will be converted to cash and the total remittance due will be paid by the Licensee by cheque or, at the discretion of the Licensee, by electronic funds transfer;
  - (ii) A Registered Player who wins a Division 4 (Strike 1) Prize shall be issued with one free Standard Entry. The free Standard Entry will be sent by mail;
  - (iii) A Player who wins a cash Prize and a Division 4 (Strike 1) Prize:
    - (1) where the cash Prize is a Provisional Prize, the Division 4 (Strike 1) Prize will be converted to cash and the total remittance due will be paid by the Licensee by cheque or, if requested by the Prize-winner, by electronic funds transfer following receipt of a Prize claim form lodged in accordance with Rule 13 (a)(i) and (ii);
    - (2) where the cash Prize does not exceed \$1,000.00, the Division 4 (Strike 1) Prize will be converted to cash and the total remittance due will be paid by the Licensee by cheque or, at the discretion of the Licensee, by electronic funds transfer following receipt of a Prize claim form lodged in accordance with Rule 13 (a) (i) and (ii);

- (iv) A Player who wins a Division 4 (Strike 1) Prize shall be issued with one free Standard Entry following receipt of a Prize claim form containing or accompanied by the like particulars set out in Rule 13(l) and any other evidence that the Chief Executive Officer may from time to time require;
- (n) Notwithstanding the provisions of this Rule 13 if an Entry which would otherwise have been entitled to a Prize not exceeding \$1000.00 is discovered after payment of Prizes has commenced the Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, pay to the Player the same Prize as is being paid to winning Players or such other Prize amount as determined by the Chief Executive Officer;
- (o) The Chief Executive Officer may, in the Chief Executive Officer's absolute discretion, require a person claiming to be entitled to a Prize or a Provisional Prize to furnish such evidence as the Chief Executive Officer deems necessary to prove that the person is the Player entitled to that Prize or Provisional Prize. Such entitlement may be proved to the satisfaction of the Chief Executive Officer, notwithstanding the fact that the Player may fail to meet one or more of the elements (1) or (2) contained in Rule 1(xli) or may fail to meet some or all of the provisions contained in these Rules governing Prize entitlement.
- (p) All cheques in payment of Division 1 (Strike 4) Prizes will be crossed and marked "Not Negotiable" and will be drawn in favour of the Player in accordance with these Rules;
- (q) Subject to Rule 13(i), at any time before the payment of Prizes the Chief Executive Officer may correct an error made in determining the number of Entries entitled thereto or the amount thereof;
- (r) The payment of Prizes to any Player who is known to have died before receiving any or all of a particular Prize shall be made in accordance with the laws of New South Wales;
- (s) Subject to section 27 of the Act, all unclaimed or uncollected Prizes shall be retained in the Prize Fund for payment to the Players entitled thereto;
- (t) Remittances for payments of Prizes may include all Prizes won on the same Ticket;
- (u) Where payment of a Prize by the Licensee is made by cheque, such cheque will be forwarded by such of the following methods as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct:
  - (i) by hand upon any conditions that the Chief Executive Officer may determine;
  - (ii) by post whether certified, registered, or ordinary post; or
  - (iii) as otherwise directed in writing by the Player;

- (v) Where payment of a Prize is made by cheque and mailed, it shall be posted to the name and address shown on the claim form or, in the case of a Registered Player, to the name and address appearing on the Licensee's records relating to that Player.

Thereafter the Licensee shall not be held liable for any loss, delay in the delivery thereof or any negotiation of such cheque. A certificate under the hand of the Chief Executive Officer verifying the date of posting shall be conclusive evidence of same.

- (w) Any Prize sent by the Licensee to a Player and any refund of fees sent by post will be sent to the name and address advised in writing by the Player. Where more than one name is advised, payment to any one person so named at any address so given shall discharge the Licensee from all liability.
- (x) The payment of all Prizes pursuant to this Rule 13 will discharge the Licensee from liability notwithstanding the existence of any trust, whether express, constructive or implied, or syndicate (formed pursuant to Rule 10(e) or otherwise). Where the Licensee has paid a Player pursuant to this Rule 13 and the Chief Executive Officer is, after such payment has been made, of the view that the Player was not the Player to whom such payment should have been made the Player shall upon being requested to do so by the Licensee in writing refund to the Licensee the monies forwarded to him or her.
- (y) Prizes may be claimed through an Agent or by mail direct to:

The Chief Executive Officer  
New South Wales Lotteries  
2 Figtree Drive  
HOMEBUSH BAY NSW 2127

or such other address as may be publicly notified from time to time by the Chief Executive Officer. A Prize claim form for a Prize may be forwarded by an Agent to the Licensee at the request of a Player or the Player may forward the Prize claim form to the Licensee direct.

- (z) Any Prize to be paid in accordance with Rule 11(e) or Rule 11(g) shall be forwarded to the winner thereof in such manner as the Chief Executive Officer may, in the Chief Executive Officer's sole discretion, direct.
- (aa) No Prize shall be payable in respect of a Ticket which fails any confidential security test of the Licensee.
- (ab) The Licensee shall be entitled, in its absolute discretion, to recognise the person who holds, bears and submits a Ticket as the Prize winner.
- (ac) The Licensee accepts no responsibility or liability for lost or stolen Tickets. Registration as a Registered Player shall not entitle a person to whom a winning Ticket is registered to be paid a Prize which has been previously paid by the Licensee to the address of the Registered Player.

- (ad) Payment of Prizes in a Game of Promotional Lotto Strike
- (i) A Prize is not payable in a Game of Promotional Lotto Strike unless:
- (1) the entry submitted in a Game of Promotional Lotto Strike is in the form determined by the Chief Executive Officer under Rule 10(o)(i); and
  - (2) if the form of entry requires the Player to have purchased a Ticket in a Game of Lotto Strike, the Ticket in the Game of Lotto Strike must satisfy any test used by Chief Executive Officer to determine whether the Ticket in the Game of Lotto Strike is valid,
- and the claimant has complied with all conditions relating to the Game of Promotional Lotto Strike advertised under Rule 11(h)(ii).
- (ii) The Licensee may record on an entry in a Game of Promotional Lotto Strike a verification code or other test and use it to determine whether the entry in a Game of Promotional Lotto Strike is valid and whether it has won a Prize. A Prize is not payable in respect of an entry in a Game of Promotional Lotto Strike, on which such a test is recorded, if the entry does not satisfy the test.

#### **RULE 14 DISQUALIFICATIONS**

- (a) Notwithstanding that a Ticket may have issued, Entry in a Game of Lotto Strike may be disqualified and no claim shall be entered in respect of it if the Chief Executive Officer is of the opinion that it should be so disqualified. Any Ticket having issued in respect of an Entry in a Game of Lotto Strike which is disqualified shall automatically be void and cancelled.
- (b) The reason for disqualification may include but are not limited to:
- (i) if more than one Panel is completed on a Boxed Entry;
  - (ii) tender of insufficient Fee or a dishonoured cheque or if the form of remittance is not acceptable;
  - (iii) the Player had defaulted in payment of any previous Fee;
  - (iv) reasonable suspicion of fraud or attempted fraud (whether computer related or otherwise);
  - (v) Ticket fails any security tests of the Licensee;
  - (vi) reasonable suspicion of unauthorised use of a Computer Linked Terminal; or
  - (vii) any other breach of these Rules which justifies disqualification.

- (c) The Licensee shall use its best endeavours to notify a Player, whose name and address is known to the Licensee, that an entry has been disqualified and the reason therefor and the Licensee shall in respect thereof refund to the Player any Subscription paid. Where the Licensee does not know of the name and address of a Player the Licensee shall publicise, in a manner determined by the Chief Executive Officer, the disqualification of such entry.

#### **RULE 15            LIMITATION OF LIABILITY**

- (a) By entering a Game of Lotto Strike or a Game of Promotional Lotto Strike a Player acknowledges that he or she has entered into an agreement with the Licensee and the Agent and agrees to be bound by the provisions of these Rules which subsist for the benefit of the Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof.
- (b) The Licensee, Directors, the Chief Executive Officer, the Agent and all Employees thereof shall have no responsibility or liability to a Player or any other person by reason of the loss or destruction of a Ticket or a ticket in a Game of Promotional Lotto Strike for any reason or from any cause (whether arising from, or contributed to by, negligence or otherwise) beyond the amount of the Subscription paid in respect of that Ticket.
- (c) The Licensee, Directors and the Chief Executive Officer shall have no responsibility or liability to pay a Player who claims a Prize and is unable to submit a Ticket or a ticket in a Game of Promotional Lotto Strike. The Licensee shall have discharged all liability in relation to payment of a Prize by making payment to a person in accordance with Rule 13.
- (d) The Licensee, Directors, the Chief Executive Officer and each and every Employee or contractor of the Licensee shall have no liability or responsibility to a Player or any other person for or in respect of:
- (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Lotto Strike or Game of Promotional Lotto Strike; and
  - (ii) without prejudice to the generality of Rule 15(d)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of Prizes;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Prize winning Ticket;
    - (4) the inclusion of an entry in any particular Game of Lotto Strike or Game of Promotional Lotto Strike received by way of Entry Form or Automatic Entry instructions;
    - (5) the receipt and processing of a Prize claim form; or
    - (6) the cancellation of a Ticket; and



- (iii) without prejudice to the generality of Rule 15(d)(i) and Rule 15(d)(ii), any fraudulent or unlawful act or omission on the part of the Agent or an employee, servant or contractor of the Agent in respect of:
  - (1) the processing of an Entry Form;
  - (2) the issue of a Ticket;
  - (3) the completion of a Prize claim form;
  - (4) the receipt of a Prize claim form;
  - (5) the processing of a Prize claim;
  - (6) the payment of a Prize;
  - (7) the cancellation of a Ticket; and
- (iv) any statement made by an Agent or an employee, servant or contractor of an Agent or by the Licensee, or any employee, servant or contractor of the Licensee to a Player.
- (e) Each and every Agent and every Employee of an Agent shall have no liability or responsibility to a Player or any other person for or in respect of:
  - (i) any negligence, omission, delay or failure whatsoever on the part of any person in the carrying out or performance of any duty, function or discretion conferred or contemplated by the Rules in or about the conduct of any Game of Lotto Strike or Game of Promotional Lotto Strike; and
  - (ii) without prejudice to the generality of Rule 15(e)(i) hereof, any negligence, omission, delay or failure in relation to:
    - (1) the payment of Prizes;
    - (2) the processing and issue of a Ticket following acceptance of an Entry Form or Automatic Entry instructions;
    - (3) the processing of a Prize winning Ticket; or
    - (4) the inclusion of an Entry in any particular Game of Lotto Strike or an entry in any particular Game of Promotional Lotto Strike received by way of Entry Form or Automatic Entry instructions.
- (f) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee or agent of the Licensee or an Agent, shall have no liability or responsibility to a Player or any person for or in respect of any failure, disruption or malfunction of Computer Linked Terminals, electrical power, telecommunications links or computers (whether arising from, or contributed to by, negligence or otherwise) resulting in loss or corruption of information retained on any Computer Records held by the Licensee.



- (g) The Licensee, Directors, the Chief Executive Officer, each and every Agent, and each and every Employee of the Licensee or an Agent, shall have no liability or responsibility for any consequence of interference with or interruption to any Game of Lotto Strike or Game of Promotional Lotto Strike due to fire, storm, flood, riot, civil commotion, strike, failure or disruption of electrical power supply or telecommunications or other cause not within the reasonable control of such person.
- (h) In the acceptance and processing of any Entry Form or Automatic Entry instructions culminating in the issue of a Ticket or a ticket in a Game of Promotional Lotto Strike, an Agent shall for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.
- (i) In the cancellation of a Ticket, the processing of a Prize claim form, the submission of a Prize claim form to the Licensee and the payment of a Prize, an Agent shall at all times and for all purposes be the agent of a Player and not the agent of the Licensee or the Chief Executive Officer.
- (j) Notwithstanding the provisions of Rule 15 (h), in the acceptance of Commission by an Agent or a Direct Mail Agent, on behalf of the Licensee, the Agent or Direct Mail Agent shall for this purpose be the agent of the Licensee and not the agent of the Player.
- (k) The State of New South Wales, the Crown in right of that State, the Government of that State, the Minister, their successors and the employees and agents of each and every one of them shall have as ample protection from liability in respect of their acts and omissions (whether arising from, or contributed to by, negligence or otherwise) and the acts, omissions and contingencies the subject of Rules 15(a) to 15(j) inclusive as those protected by said Rules.

#### **RULE 16**

- (a) The Lotto Strike Rules made pursuant to the Lotto Act and in force immediately prior to the date upon which these Rules take effect are rescinded.
- (b) Unless otherwise determined by the Chief Executive Officer entries made pursuant to Rules previously in force under any earlier Licence and which relate to a Drawing or Drawings to be conducted on or after the date these Rules take effect shall be taken to be submitted as entries in such Drawing or Drawings pursuant to those previous Rules.

#### **RULE 17            AGREEMENTS RELATING TO A GAME OF PROMOTIONAL LOTTO STRIKE**

The Licensee may enter into agreements or arrangements, subject to the provisions of the Act, with other persons or bodies for the purpose of promoting any Game of Promotional Lotto Strike.

## SCHEDULE 1

## COMMISSION PAYABLE FOR LOTTO STRIKE GAMES

Entry Type	No. of Games	1 draw	2 draws	3 draws
<b>Standard</b>	1	\$0.20	\$0.40	\$0.60
	2	\$0.20	\$0.40	\$0.60
	3	\$0.20	\$0.40	\$0.60
	4	\$0.25	\$0.50	\$0.75
	5	\$0.30	\$0.60	\$0.90
	6	\$0.35	\$0.70	\$1.05
	7	\$0.40	\$0.80	\$1.20
	8	\$0.45	\$0.90	\$1.35
	9	\$0.50	\$1.00	\$1.50
<b>Boxed</b>	24	\$1.20	\$2.40	\$3.60

### SCALE OF ALLOWANCES PAID TO WITNESSES

I, John Hatzistergos, Attorney General, have approved the repeal of the scale of allowances to witnesses attending (1) criminal trials at the Supreme Court and the District Court, and (2) Local Courts, Licensing Courts and Coroner's Courts, as published in the Government Gazette. In its place, I have approved a fresh scale of allowances, as shown in the attached Schedule. The new rates are to take effect from 1 July 2009.

JOHN HATZISTERGOS, MLC,  
Attorney General

#### SCHEDULE

Scale of Allowances to:

- (a) All Crown witnesses and witnesses for the defence attending criminal trials at the Supreme Court and District Court of New South Wales (i) where such witnesses have been subpoenaed by the Crown to give evidence, or (ii) where legal aid has been granted, and
- (b) Witnesses requested or subpoenaed by the Director of Public Prosecutions or Police to attend at Local Courts, Licensing or Coroner's Courts in New South Wales.

These allowances apply to: (1) fees, loss of income, salary or wages, (2) meals, and (3) transport.

#### FEES, LOSS OF INCOME, SALARY OR WAGES

- (a) Ordinary witnesses (being witnesses not specified in (b) below):

Upon furnishing a certificate of loss of income, salary or wages, ordinary witnesses shall be entitled as follows:

- |   | \$                  |
|---|---------------------|
| (i) up to 4 hours loss of working time on that day, not exceeding   | 44.90 per day       |
| (ii) more than 4 hours loss of working time on that day, not exceeding  | 90.30 per day       |
| <br>(b) Experts summoned to give expert evidence:   |                     |
| (i) In respect of the period of absence from home, hospital, place of employment or other place in travelling to and from Court, and attendance at Court: |                     |
| 1. Fee for the first two hours or part thereof  | 96.80 per day       |
| 2. Fee thereafter for each additional half-hour or part thereof up to a maximum of \$189.50 per day   | 18.50 per half hour |
| (ii) IN ADDITION, where evidence is expert evidence, a fee of   | 12.60 per case      |

#### MEAL ALLOWANCE

*All Witnesses:*

- (a) For every meal taken while in attendance at or travelling to and from Court where no allowance is payable under (b) below: \*
- (b) Where the witness resides at such a distance from the Court that he/she cannot travel to and from the Court on the same day
  - (i) for each day of 24 hours: - \*\*
  - (ii) for any additional part of a day (based on the hourly rate applicable under (b)(i): - \*\*
  - (iii) where the witness is absent from his/her residence overnight but for a period less than 24 hours he/she may be paid as for a full day.

Children aged 5 years and over to be paid meal allowance as in the case of adult witnesses.  
No meal allowance to be paid to children under the age of 5 years.

#### COST OF TRANSPORT

*All Witnesses:*

To be paid actual cost of fares paid by them in travelling by rail, bus, ferry or other available means of public transport to and from the Court at which they are required to attend.

Witnesses are not to be reimbursed the cost of travel by plane unless prior approval has been given to travel by this method.

If unable to travel by any available public transport, to receive for every kilometre travelled by own vehicle, the rate of: - \*\*\*

Kilometrage to be paid in respect of one journey to and from the Court. Where a witness travels otherwise when transit by public transport is available such witness is to be paid only an amount equal to the cost of travelling by means of the available transport. Notwithstanding the foregoing, medical practitioners required to attend Court on successive days to give evidence shall be paid appropriate kilometrage in respect of each day of travel.

\* This rate to vary as prescribed for Lunch in accordance with Clause 29(3), Table 1 (Item No.1), Part B-Monetary Rates to the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2006. Variations to apply are from date specified in the Public Service Notices pending amendment of the relevant Award.

\*\* These rates to vary in accordance with the rate prescribed in Clause 30(2)(a), Table 1 (Item No.2), Part B-Monetary Rates to the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2006. Variations to apply are from date specified in the Public Service Notices pending amendment of the relevant Award.

\*\*\* This rate to vary in accordance with the Casual rate for private motor vehicles with engine capacity over 2700 cc as shown in Table 1 (Item no.6) Part B-Monetary Rates to Crown Employees (Public Service Conditions of Employment) Reviewed Award 2006. Variations to apply are from date specified in the Public Service Notices pending amendment of the relevant Award.



Independent Pricing and Regulatory Tribunal

## **Review of prices for the Sydney Catchment Authority**

From 1 July 2009 to 30 June 2012

**Water — Determination and Final Report**  
June 2009



Independent Pricing and Regulatory Tribunal

## **Review of prices for the Sydney Catchment Authority**

**From 1 July 2009 to 30 June 2012**

**Water — Determination and Final Report**  
June 2009

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The Tribunal members for this review are:

Dr Michael Keating, AC, Chairman

Mr James Cox, Chief Executive Officer and Full Time Member

Ms Sibylle Krieger, Part Time Member

Inquiries regarding this document should be directed to a staff member:

Amanda Chadwick (02) 9290 8453

Matthew Edgerton (02) 9290 8488

Independent Pricing and Regulatory Tribunal of New South Wales  
PO Box Q290, QVB Post Office NSW 1230  
Level 8, 1 Market Street, Sydney NSW 2000  
T (02) 9290 8400 F (02) 9290 2061  
[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)



Independent Pricing and Regulatory Tribunal

## **Sydney Catchment Authority**

**Determination No. 3, 2009**

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## Preliminary

### 1 Background

- (a) Section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW) permits IPART to conduct investigations and make reports to the Minister on the determination of the pricing for a government monopoly service supplied by a government agency specified in Schedule 1 of the IPART Act.
- (b) Sydney Catchment Authority (**Authority**) is listed as a government agency for the purposes of Schedule 1 of the IPART Act. The services of the Authority declared as monopoly services under the *Independent Pricing and Regulatory Tribunal (Water Supply Services) Order 2000* (**Order**) are:
  - (1) water supply services; and
  - (2) ancillary and miscellaneous services for which no alternative supply exists and which relate to the supply of those water services,

(together the **Monopoly Services**).

Accordingly, IPART may determine the prices for the Monopoly Services.

- (c) In investigating and reporting on the pricing of the Monopoly Services, IPART has had regard to a broad range of matters, including the criteria set out in section 15(1) of the IPART Act.
- (d) In accordance with section 13A of the IPART Act, IPART has fixed the maximum price for the Monopoly Services or has established a methodology for fixing the maximum price.
- (e) Under section 18(2) of the IPART Act, the Authority may not fix a price below that determined by IPART without the approval of the Treasurer.

### 2 Application of this determination

- (a) This determination fixes the maximum prices (or sets a methodology for fixing the maximum prices) that the Authority may charge for the Monopoly Services.
- (b) This determination commences on the later of 1 July 2009 and the date that it is published in the NSW Government Gazette (**Commencement Date**).

Preliminary

- (c) The maximum prices in this determination apply from the Commencement Date to 30 June 2012. The maximum prices in this determination prevailing at 30 June 2012 continue to apply beyond 30 June 2012 until this determination is replaced.

### **3 Replacement of Determination No. 7 of 2005**

This determination replaces Determination No. 7 of 2005 from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No. 7 of 2005 prior to its replacement.

### **4 Monitoring**

IPART may monitor the performance of the Authority for the purposes of:

- (a) establishing and reporting on the level of compliance by the Authority with this determination; and
- (b) preparing a periodic review of pricing policies in respect of the Monopoly Services supplied by the Authority.

### **5 Schedules**

- (a) Schedules 1-3 (inclusive) and the Tables in those schedules set out the maximum prices that the Authority may charge for the Monopoly Services specified in the schedules.
- (b) Schedule 4 sets out the definitions and interpretation provisions.

## Schedule 1 Water supply services

### **1 Application**

This schedule sets the maximum prices that the Authority may charge for services to a person (other than a Customer) under paragraph (a) of the Order (water supply services).

### **2 Water supply services to the Corporation**

The maximum charge for water supplied by the Authority to the Corporation is the sum of:

- (a) the Fixed Availability Charge in Table 1, corresponding to the applicable Period in that table; and
- (b) the Volumetric Charge (per ML) in Table 2, corresponding to the applicable Period in that table.

### **3 Water supply services to Wingecarribee Shire Council**

The maximum charge for water supplied by the Authority to Wingecarribee Shire Council is the Volumetric Charge (per ML) in Table 3, corresponding to the applicable Period in that table.

### **4 Water supply services to Shoalhaven City Council**

The maximum charge for water supplied by the Authority to Shoalhaven City Council is the Volumetric Charge (per ML) in Table 4, corresponding to the applicable Period in that table.

### **5 Water supply services to Goulburn Mulwaree Council**

The maximum charge for water supplied by the Authority to Goulburn Mulwaree Council is the Volumetric Charge (per ML) in Table 5, corresponding to the applicable Period in that table.

## Tables 1, 2, 3, 4 and 5

**Table 1 Fixed Availability Charges for the Corporation**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Fixed Availability Charge (\$ per month)	6,301,913	$6,562,810 \times (1 + \Delta CPI_1)$	$6,833,854 \times (1 + \Delta CPI_2)$

**Table 2 Volumetric Charges for the Corporation**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Volumetric Charge (\$ per ML)	249.99	$260.34 \times (1 + \Delta CPI_1)$	$271.10 \times (1 + \Delta CPI_2)$

**Table 3 Volumetric Charges for Wingecarribee Shire Council**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Volumetric Charge (\$ per ML)	236.36	$246.14 \times (1 + \Delta CPI_1)$	$256.31 \times (1 + \Delta CPI_2)$

**Table 4 Volumetric Charges for Shoalhaven City Council**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Volumetric Charge (\$ per ML)	236.36	$246.14 \times (1 + \Delta CPI_1)$	$256.31 \times (1 + \Delta CPI_2)$

**Table 5 Volumetric Charges for Goulburn Mulwaree Council**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Volumetric Charge (\$ per ML)	236.36	$246.14 \times (1 + \Delta CPI_1)$	$256.31 \times (1 + \Delta CPI_2)$

## Schedule 2 Water supply services – Bulk Raw Water

### **1 Application**

This schedule sets the maximum prices that the Authority may charge for services of Bulk Raw Water to a Customer under paragraph (a) of the Order (water supply services).

### **2 Bulk Raw Water**

The maximum charge for Bulk Raw Water supplied by the Authority to a Customer is the Volumetric Charge (per kL) in Table 6, corresponding to the applicable Period in that table.

## Table 6

**Table 6 Volumetric Charges for Bulk Raw Water**

<b>Charge</b>	<b>Commencement Date to 30 June 2010</b>	<b>1 July 2010 to 30 June 2011</b>	<b>1 July 2011 to 30 June 2012</b>
Volumetric Charge (\$ per kL)	0.55	$0.58 \times (1 + \Delta CPI_1)$	$0.60 \times (1 + \Delta CPI_2)$

## Schedule 3 Water supply services – Unfiltered Water

### 1 Application

This schedule sets the maximum prices that the Authority may charge for services of Unfiltered Water to a Customer under paragraph (a) of the Order (water supply services).

### 2 Unfiltered Water

The maximum charge for Unfiltered Water supplied by the Authority to a Customer is the sum of:

- (a) the Fixed Availability Charge in Table 7, corresponding to the service connection size and the applicable Period in that table; and
- (b) the Volumetric Charge (per kL) in Table 8, corresponding to the applicable Period in that table.

## Tables 7 and 8

**Table 7 Fixed Availability Charges for Unfiltered Water**

Charge (\$ per Period)	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
<b>Service connection size</b>			
20mm	84.39	$87.89 \times (1 + \Delta CPI_1)$	$91.52 \times (1 + \Delta CPI_2)$
25mm	131.86	$137.32 \times (1 + \Delta CPI_1)$	$142.99 \times (1 + \Delta CPI_2)$
30mm	189.88	$197.75 \times (1 + \Delta CPI_1)$	$205.91 \times (1 + \Delta CPI_2)$
32mm	216.05	$224.99 \times (1 + \Delta CPI_1)$	$234.28 \times (1 + \Delta CPI_2)$
40mm	337.57	$351.55 \times (1 + \Delta CPI_1)$	$366.07 \times (1 + \Delta CPI_2)$
50mm	527.46	$549.29 \times (1 + \Delta CPI_1)$	$571.98 \times (1 + \Delta CPI_2)$
80mm	1,350.29	$1,406.19 \times (1 + \Delta CPI_1)$	$1,464.27 \times (1 + \Delta CPI_2)$
100mm	2,109.83	$2,197.17 \times (1 + \Delta CPI_1)$	$2,287.92 \times (1 + \Delta CPI_2)$
150mm	4,747.11	$4,943.64 \times (1 + \Delta CPI_1)$	$5,147.81 \times (1 + \Delta CPI_2)$
200mm	8,439.31	$8,788.69 \times (1 + \Delta CPI_1)$	$9,151.67 \times (1 + \Delta CPI_2)$
>200mm	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400

**Table 8 Volumetric Charges for Unfiltered Water**

Charge	Commencement Date to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to 30 June 2012
Volumetric Charge (\$ per kL)	0.95	$0.99 \times (1 + \Delta CPI_1)$	$1.03 \times (1 + \Delta CPI_2)$



## Schedule 4 Definitions and Interpretation

### 1 Definitions

#### 1.1 General definitions

In this determination:

**Authority** means the Authority as defined in clause 1(b) of the *Preliminary* section of this determination, constituted under the *Sydney Water Catchment Management Act 1998* (NSW).

**Bulk Raw Water** means water that has not been managed in any way.

**Commencement Date** means the Commencement Date as defined in clause 2(b) of the *Preliminary* section of this determination.

**Corporation** means the Sydney Water Corporation constituted under the *Sydney Water Corporation Act 1994* (NSW).

**Customer** means a person to whom the Authority supplies water, other than:

- (a) the Corporation; or
- (b) a water supply authority, a local council or a county council each as defined in the *Sydney Water Catchment Management Act 1998* (NSW).

**Fixed Availability Charge** means a fixed charge imposed by the Authority for making water available for supply to a person, irrespective of the amount of water consumed by that person.

**Goulburn Mulwaree Council** means the Goulburn Mulwaree Council as constituted under the *Local Government Act 1993* (NSW).

**GST** means the Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**IPART** means the Independent Pricing and Regulatory Tribunal of New South Wales established under the IPART Act.

**IPART Act** means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

**kL** means kilolitre or one thousand litres.

**ML** means megalitre or one million litres.

**Monopoly Services** means the Monopoly Services as defined in clause 1(b) of the *Preliminary* section of this determination.

**Order** means the Order defined in clause 1(b) of the *Preliminary* section of this determination and published in Gazette No. 22 dated 11 February 2000.

**Period** means the Commencement Date to 30 June 2010, 1 July 2010 to 30 June 2011 or 1 July 2011 to 30 June 2012 (as the case may be).

**Shoalhaven City Council** means the Shoalhaven City Council as constituted under the *Local Government Act 1993* (NSW).

**Unfiltered Water** means Bulk Raw Water that has been managed for quality, whether by chemical treatment or otherwise but not treated at a water filtration plant.

**Volumetric Charge** means a charge imposed by the Authority for water supplied by the Authority to a person where the charge is based on the amount of water consumed by that person.

**Wingecarribee Shire Council** means the Wingecarribee Shire Council as constituted under the *Local Government Act 1993* (NSW).

## 1.2 Consumer Price Index

- (a) CPI means the consumer price index, All Groups index number for the weighted average of eight capital cities as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by IPART.

$$(b) \Delta CPI_1 = \left( \frac{CPI_{Jun2009} + CPI_{Sep2009} + CPI_{Dec2009} + CPI_{Mar2010}}{CPI_{Jun2008} + CPI_{Sep2008} + CPI_{Dec2008} + CPI_{Mar2009}} \right) - 1$$

$$\Delta CPI_2 = \left( \frac{CPI_{Jun2010} + CPI_{Sep2010} + CPI_{Dec2010} + CPI_{Mar2011}}{CPI_{Jun2008} + CPI_{Sep2008} + CPI_{Dec2008} + CPI_{Mar2009}} \right) - 1$$

each as calculated by IPART and notified in writing by IPART to the Authority.

- (c) The subtext (for example <sub>Jun 2008</sub>) when used in relation to paragraph (b) above means the CPI for the quarter and year indicated (in the example the June quarter for 2008).

## **2 Interpretation**

### **2.1 General provisions**

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a law or statute includes all amendments or replacements of that law or statute;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation, other body corporate or government agency;
- (f) a reference to an officer includes a reference to the officer which replaces him or her or which substantially succeeds to his or her powers or functions;
- (g) a reference to a body, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

### **2.2 Explanatory notes and clarification notice**

- (a) Explanatory notes do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination as if that clarification note formed part of this determination.

### **2.3 Prices exclusive of GST**

Prices or charges specified in this determination do not include GST.

### **2.4 Billing cycle of the Authority**

For the avoidance of doubt nothing in this determination affects when the Authority may issue a bill to a customer for prices or charges under this determination.



Independent Pricing and Regulatory Tribunal

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## **Review of prices for the Sydney Catchment Authority**

**From 1 July 2009 to 30 June 2012**

**Water — Final Report**

June 2009

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## 1 Introduction and executive summary

The Independent Pricing and Regulatory Tribunal of New South Wales (IPART) has conducted a review of the prices that the Sydney Catchment Authority (SCA) can charge for providing water services. The purpose of the review is to determine the maximum prices for these services from 1 July 2009 to 30 June 2012 (the 2009 determination period). This report explains IPART's determination of SCA's prices, including the rationale and analysis that underpin IPART's decisions.

IPART released a draft determination and report in March 2009. Six submissions in response to this draft determination and report were received.<sup>1</sup> This followed IPART's release of an issues paper in July 2008; its receipt of ten submissions in response to this issues paper; and the holding of a public hearing at IPART's offices in November 2008. IPART has considered all of the issues raised in submissions to this review and has now determined final prices.

As outlined in the draft report, IPART is seeking stakeholder views on the potential introduction of a form of 'scarcity pricing' at the next determination of SCA's prices (in 2012). Under this pricing approach, SCA's price to Sydney Water would vary inversely with dam levels (available SCA water supply). IPART will be considering this option further over the course of the 2009 determination period. Its preliminary thoughts on this pricing approach are outlined in Appendix F.

### 1.1 Summary of price outcomes

Under the determination, the prices that SCA can charge its customers increase by about 17.4 per cent in real terms from 2008/09 to 2011/12. The largest increase occurs in 2009/10, then prices increase steadily to 2011/12. Table 1.1 shows the prices for each SCA service and the percentage increase compared to current (2008/09) prices.

Final prices under this determination are marginally higher than those of the draft determination. This is because IPART has set SCA's prices so that the present value of its expected revenue from tariffs equates with the present value of its notional revenue requirement over the determination period (see section 3.5)<sup>2</sup>; and SCA's

<sup>1</sup> An additional letter from Sydney Water was also received, which confirmed its updated sales forecasts and its latest estimates of supply from its desalination plant over 2009/10 to 2011/12.

<sup>2</sup> Therefore, this is a 'Net Present Value (NPV) neutral' approach.

## 1 Introduction and executive summary

sales forecasts to Sydney Water have been revised down (see section 7.2). These effects have been offset to some extent as a result of IPART's decision to use a lower Weighted Average Cost of Capital (WACC) of 6.5 per cent in response to changed market parameters (see section 6.3 and Appendix E).<sup>3</sup> To enable comparison, final prices and prices listed in the draft determination are included in Table 1.8 at the end of this chapter.

Table 1.3 and Table 1.4 (in section 1.1.2) show how this determination impacts on Sydney Water's service charges to its customers and typical residential and non-residential customer water and sewerage bills.

**Table 1.1 Final decisions on prices for SCA services from 2009/10 to 2011/12 (\$, real 2008/09)**

	Current price (2008/09)	2009/10	2010/11	2011/12
<b>Volumetric price to Sydney Water (\$/ML)</b>	222.17	240.61	250.57	260.92
Year on year increase in price		8.3%	4.1%	4.1%
Increase 2008/09 to 2011/12				17.4%
<b>Fixed charge to Sydney Water (\$M)</b>	67.21	72.78	75.80	78.93
Year on year increase in price		8.3%	4.1%	4.1%
Increase 2008/09 to 2011/12				17.4%
<b>Volumetric price to Local Councils (\$/ML)</b>	210.05	227.48	236.90	246.69
Year on year increase in price		8.3%	4.1%	4.1%
Increase 2008/09 to 2011/12				17.4%
<b>Volumetric price for unfiltered water (\$/kL)<sup>a</sup></b>	0.84	0.91	0.95	0.99
Year on year increase in price		8.3%	4.4%	4.2%
Increase 2008/09 to 2011/12				17.9%
<b>Volumetric price for raw water (\$/kL)<sup>a</sup></b>	0.49	0.53	0.55	0.58
Year on year increase in price		8.2%	3.8%	5.5%
Increase 2008/09 to 2011/12				18.4%
<b>Fixed charge to unfiltered water customers – for 20 mm meters (\$)</b>	75.00	81.23	84.59	88.08
Year on year increase in price		8.3%	4.1%	4.1%
Increase 2008/09 to 2011/12				17.4%
<b>Fixed charge to unfiltered water customers – for meter size &gt; 20 mm (\$)</b>	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400
Year on year increase in price		8.3%	4.1%	4.1%
Increase 2008/09 to 2011/12				17.4%

<sup>a</sup> These volumetric charges to unfiltered and raw water customers do not increase by the exact same proportions as SCA's other prices, due to rounding (to the nearest cent per kL).

<sup>3</sup> The WACC of 6.5 per cent is a real pre-tax WACC. IPART used a WACC of 7.0 per cent for the draft determination.



IPART considers these price increases necessary to enable SCA to operate, maintain and renew the assets needed to effectively carry out its catchment management and bulk water supply functions. In reaching its decisions, it has considered the potential impact of these price increases on water customers, SCA's financial viability, SCA's service standards, and the environment. It considers that the determination appropriately balances the needs and interests of each.

The sections below summarise the reasons for these price increases, the impact of IPART's determination on water customers and SCA, and IPART's decisions in relation to the structure of SCA's prices. Please note that all figures in this report are presented in 2008/09 dollars (unless stated otherwise), while figures in the determination (at the front of this document, preceding this report) are in 2009/10 dollars. For comparative purposes, prices and costs are often presented for 2008/09, in addition to the 2009 determination period (2009/10 to 2011/12).

### 1.1.1 Reasons for price increases

Table 1.2 shows IPART's decision on SCA's annual notional revenue requirements over the 2009 determination period, and its decisions on the components of these revenue requirements. This table, along with Figure 1.1, indicates that the increase in SCA's notional revenue requirement relative to current levels – and therefore the increases in prices under this determination – are driven by an increase in SCA's efficient operating expenditure in 2009/10 (due to SCA's contribution to the Accelerated Sewerage Program), and increases in the allowances for a return on assets and a return of assets (or regulatory depreciation) over the determination period. However, the allowance for a return on assets is less than in the draft determination, due to IPART's decision to use a lower WACC of 6.5 per cent.

Table 1.2 also shows that IPART has set prices so that the present value of SCA's target revenue (ie, the revenue IPART expects SCA to generate from charges, given its decisions on prices and SCA's forecast water sales) will be equal to the present value of its notional revenue requirement over the determination period. IPART has adopted this approach after considering stakeholder views, the financial position of SCA, impacts on customers and the principles of economic efficiency. This approach enables SCA to fully recover its efficient building block costs, with minimal impact on water customers via price (and bill) rises.

## 1 Introduction and executive summary

**Table 1.2 Decisions on SCA's annual notional revenue requirement, and annual target revenue (\$million, real 2008/09)**

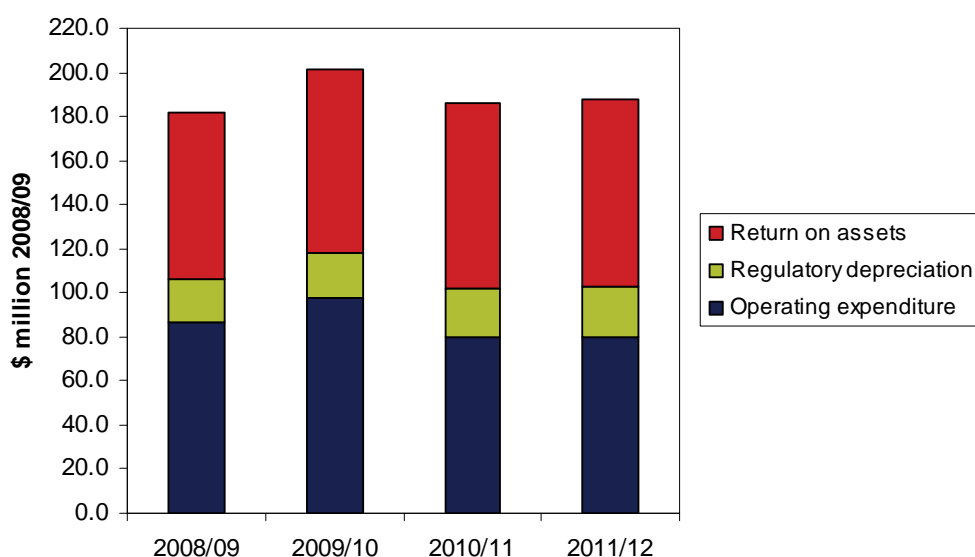
	Current (2008/09)	2009/10	2010/11	2011/12
Operating expenditure	87.0 <sup>a</sup>	80.0	80.0	80.0
Contribution to ASP (operating expenditure) <sup>b</sup>		17.3		
Allowance for a return on assets	76.3	82.7	84.3	84.9
Allowance for regulatory depreciation	18.9	21.2	22.0	22.5
Allowance for working capital	0.5	0.8	1.2	1.2
Other (unregulated) revenue <sup>c</sup>	(0.4)	(0.4)	(0.3)	(0.4)
Notional revenue requirement <sup>d</sup>	182.3	201.6	187.1	188.2
Present value of notional revenue requirement	532.9			
Target revenue	182.3	193.7	189.5	194.6
Present value of target revenue	532.9			
Present value of notional revenue requirement less present value of target revenue	0.0			

<sup>a</sup> Includes \$4 million in Shoalhaven pumping costs.

<sup>b</sup> SCA's contribution to the Accelerated Sewerage Program (ASP). This is classed as operating expenditure.

<sup>c</sup> SCA earns some unregulated income (eg, from renting out some of its facilities, such as its conference centre). In line with IPART's 2008 determination of Sydney Water's prices, 50 per cent of this unregulated income has been deducted from SCA's notional revenue requirement. IPART's 2008 report (p 37) on its determination of Sydney Water's prices noted this approach achieves an appropriate balance between passing benefits of other income onto customers (via lower prices) and providing the utility with an incentive to pursue these opportunities.

<sup>d</sup> Totals may not add due to rounding.

**Figure 1.1 Decisions on SCA's annual notional revenue requirement for 2009/10 to 2011/12 (\$million, real 2008/09)**

### Efficient operating expenditure

SCA's total operating expenditure in 2009/10 is forecast to be significantly higher than operating expenditure in 2008/09. This is due to the NSW Government's requirement for SCA to make a one-off contribution of \$17.7 million (\$2009/10) to the Accelerated Sewerage Program (ASP), which will fund the upgrade of sewage treatment plants needed to enhance and protect Sydney's water quality. Pursuant to section 16A of the IPART Act, the Minister for Water has directed IPART to include in its 2009 determination the efficient costs of SCA complying with this Government direction.

When this contribution to the ASP is excluded (along with SCA's costs of pumping water from the Shoalhaven in 2008/09), SCA's forecast efficient operating costs in each year of the determination period are around 3.6 per cent less than in 2008/09. This is due to SCA's forecast cost savings and efficiency measures over the determination period.

### Allowances for a return on assets and regulatory depreciation

The allowance for a return on capital compensates SCA for the opportunity cost of the capital it has invested in assets, and thus ensures that prices are cost reflective and provide SCA with an incentive for it to make further investments when new infrastructure is needed. The allowance for regulatory depreciation recognises that an efficiently operating business will allow for the cost of maintaining its assets within its revenue requirements. Both these allowances increase over the 2009 determination period, to incorporate SCA's forecast capital expenditure and to reflect IPART's decisions on an appropriate rate of return for SCA (for calculating the return on assets) and average asset lives (for the purposes of calculating depreciation).

SCA's efficient forecast capital expenditure, which is incorporated into the Regulatory Asset Base (RAB) and therefore increases the allowances for return on assets and regulatory depreciation, includes provision for upgrading dams to provide environmental flows and to improve dam safety. It also allows for upgrading or replacing aging infrastructure and assets (including electrical wiring, fencing, roads and support assets) to ensure the safety of SCA's workforce and the community and the efficient functioning of its systems.

#### 1.1.2 Impact of IPART's determination on water customers

SCA is primarily a bulk water supplier. Its main customer is Sydney Water (which purchases about 99 per cent of its supply). It also supplies three Local Councils<sup>4</sup> (which purchase approximately 1 per cent of SCA's supply). In addition, SCA acts as a water retailer to a small number of 'raw' and 'unfiltered' water customers, which account for less than 0.1 per cent of its total sales.

<sup>4</sup> Over the 2009 determination period, SCA will supply Wingecarribee Shire Council, Shoalhaven City Council and Goulburn Mulwaree Council.

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Increases in SCA's prices largely affect the customers of Sydney Water and the Local Councils rather than these businesses themselves, because the businesses can generally pass on SCA price increases to their customers. In this regard, IPART's 2008 determination of Sydney Water's retail prices included a mechanism to allow Sydney Water to adjust its water service charges for the period 2009/10 to 2011/12 to reflect any changes to SCA's prices that occur as a result of the 2009 SCA determination. The expected impacts of the price increases under the determination on Sydney Water's customers, the Local Councils' customers, and SCA's raw and unfiltered water customers are summarised below.

### Sydney Water's customers

Table 1.3 shows increases in Sydney Water's water service charges as a result of this determination. These increases are relative to the schedule of charges set at the 2008 determination of Sydney Water's prices. For Sydney Water customers with a 20mm meter connection, which generally includes all residential customers, this determination will increase the water service charge by \$16.45 per year by 2011/12. The table shows that this determination will increase all water service charges, regardless of meter size, by approximately 14 per cent by 2011/12.

**Table 1.3 Increase in Sydney Water's water service charges as a result of the determination (\$, real 2008/09)**

Meter size (mm)	2009/10	2010/11	2011/12
20	6.77	12.40	16.45
25	10.57	19.37	25.70
30	15.23	27.89	37.00
32	17.32	31.74	42.10
40	27.07	49.59	65.79
50	42.30	77.48	102.79
65	71.48	130.94	173.72
80	108.28	198.35	263.14
100	169.18	309.92	411.16
150	380.66	697.32	925.11
200	676.74	1,239.69	1,644.64
% increase to all service charges	7.4%	11.7%	14.1%

**Note:** These increases are relative to Sydney Water's schedule of prices for 2008/09 to 2011/12, as set by IPART at the 2008 Determination of Sydney Water's prices.

Table 1.4 shows the increases in average water and sewerage bills for customers of Sydney Water as result of IPART's 2008 determination of Sydney Water's prices and this determination of SCA's prices. This table indicates that while the 2008 determination of Sydney Water's prices results in substantial increases in average bills over 2007/08 to 2011/12, this determination of SCA's prices will further increase these bills by only a relatively small amount. For example, the table shows that the 2008 Sydney Water determination will increase average water and sewerage bills for

a household consuming 200kL per annum by \$245 (or 33 per cent) over the four-year determination period (from \$752 in 2007/08 to \$997 in 2011/12). In comparison, this SCA determination would increase these bills by a further \$16 or 1.6 per cent.

**Table 1.4 Increase in typical water and sewerage bills for customers of Sydney Water as a result of the 2008 Sydney Water determination and the 2009 SCA determination (\$, real 2008/09)**

Typical water & sewerage bills	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Res: 20mm meter &amp; 100 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	615	717	753	784	804
Year on year increase		16.6%	5.0%	4.1%	2.6%
Bill – 2009 SCA Det.			760	796	820
Increase to bill from 2009 SCA Det.			0.9%	1.6%	2.0%
<b>Res: 20mm meter &amp; 200 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	752	878	933	974	997
Year on year increase		16.8%	6.3%	4.4%	2.4%
Bill – 2009 SCA Det.			940	986	1,013
Increase to bill from 2009 SCA Det.			0.7%	1.3%	1.6%
<b>Non-Res: 20mm meter &amp; 300 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	890	1,039	1,113	1,164	1,190
Year on year increase		16.7%	7.1%	4.6%	2.2%
Bill – 2009 SCA Det.			1,120	1,176	1,206
Increase to bill from 2009 SCA Det.			0.6%	1.1%	1.4%
<b>Non-Res: 32mm meter &amp; 1,000 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	3,130	3,581	3,816	3,969	4,043
Year on year increase		14.4%	6.6%	4.0%	1.9%
Bill – 2009 SCA Det.			3,833	4,001	4,085
Increase to bill from 2009 SCA Det.			0.4%	0.8%	1.0%
<b>Non-Res: 80mm meter &amp; 10,000 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	31,519	35,408	37,584	38,920	39,494
Year on year increase		12.3%	6.1%	3.6%	1.5%
Bill – 2009 SCA Det.			37,692	39,118	39,757
Increase to bill from 2009 SCA Det.			0.3%	0.5%	0.7%

<sup>a</sup> Sourced from IPART, *Review of prices for Sydney Water Corporation's water, sewerage, stormwater and other services, From 1 July 2008, Determination and Final Report*, June 2008, pp 131-133.

#### Local Councils' customers

IPART's indicative analysis suggests that this determination will also result in a moderate increase in the water bills of customers of the three Local Councils supplied by SCA. For instance, Table 1.5 shows that typical household water bills in the Wingecarribee Shire Council area (the largest of SCA's three Local Council customers) are expected to increase by about 2.2 per cent from 2008/09 to 2011/12 as

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a result of the determination. Typical combined water and sewerage bills for these customers are likely to rise by about 0.9 per cent over the same period.

**Table 1.5 Impact of determination on Wingecarribee Shire Council water bills (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Typical household water bill <sup>a</sup>	380 <sup>b</sup>	384	386	388
Increase relative to 2008/09		1.0%	1.6%	2.2%
Typical household water and sewerage bill <sup>a</sup>	900 <sup>c</sup>	904	906	908
Increase relative to 2008/09		0.4%	0.7%	0.9%

<sup>a</sup> Assumes that (apart from the cost of purchasing bulk water from SCA) all other costs of servicing customers (ie, all other components of bills) remain unchanged.

<sup>b</sup> According to Wingecarribee Shire Council, a typical water bill is currently about \$380 per annum, and the cost of purchasing bulk water from SCA accounts for approximately 12.5 per cent (\$47.50) of this bill (email to IPART, 5 December 2008).

<sup>c</sup> Wingecarribee Shire Council's April 2009 submission advised that residents are currently paying approximately \$520 per annum in sewerage charges. Therefore, assuming a typical water bill is \$380 per annum, a typical household water and sewerage bill is \$900 per annum.

As evident from Table 1.6, under this determination Local Councils will still be paying a price that is approximately 43 per cent less than SCA's average cost of water supply. This is considered further in section 8.3.

**Table 1.6 SCA prices to Local Councils compared to SCA's average cost of supply (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Volumetric price to Local Councils (\$/ML)	210.05	227.48	236.90	246.69
SCA's average cost of supply (\$/ML) <sup>a</sup>	371.83	401.46	412.67	424.94
Difference: discount to Local Councils' price relative to SCA's average cost of supply	44%	43%	43%	42%

<sup>a</sup> Average cost of supply is calculated as: SCA's notional revenue requirement/SCA's total water sales.

### SCA's unfiltered and raw water customers

SCA has a total of approximately 65 'raw' and 'unfiltered' water customers, comprising industry, government departments and agencies, religious orders, schools, agricultural producers and domestic users.

IPART's determination will increase SCA's prices to these retail customers (and therefore their water bills) by approximately 17 to 18 per cent over 2008/09 to 2011/12. Table 1.1 shows that the largest increase in these prices occurs in 2009/10, followed by further but more gradual increases in 2010/11 and 2011/12.

IPART considers that these price rises are reasonable and justified, particularly considering SCA's raw and unfiltered water charges have remained essentially unchanged from 2000/01 to 2008/09. It considers that the determination achieves an appropriate balance between ensuring that raw and unfiltered water customers

adequately contribute to the recovery of SCA's costs, while protecting them from a significant price shock.

IPART also notes that SCA undertakes a limited range of social programs designed to assist its vulnerable retail customers, including rebates for eligible pensioners equal to the unfiltered water service charge.

### 1.1.3 Impact of IPART's determination on SCA

In making its decisions on SCA's prices, IPART analysed a range of financial indicators that are commonly used by credit rating agencies to assess an entity's financial capacity and ability to service and repay debt. The NSW Government believes that a BBB rating (generally considered investment grade) is the minimum target rating to ensure financial viability.

As shown in Table 1.7, IPART's analysis and financial modelling indicate that the maximum prices under the determination will enable SCA to achieve an overall credit rating of at least BBB+ throughout the determination period. This is above the minimum requirement of a BBB rating and should enable SCA to continue to operate its business to a high standard.

**Table 1.7 SCA's expected overall investment category rating under the determination**

NSW Treasury total score	2008/09	2009/10	2010/11	2011/12
Assuming SCA has a 'well above average' risk profile	A+	A+	A+	AA
Assuming SCA has a 'above average' risk profile	BBB+	BBB+	BBB+	BBB+

<sup>a</sup> In terms of business risk, NSW Treasury classes Sydney Water as 'well above average' (which is the lowest level of risk); whereas it classifies SCA as 'above average'. For the draft determination and report, IPART assumed that SCA had the same risk profile as Sydney Water (ie, 'well above average'). For this final determination and report, IPART has presented results for both of these business risk profiles.

### 1.1.4 Decisions on SCA price structure

As part of its price review, IPART considered the structure of SCA's prices, including stakeholder comments on this structure made in submissions to the issues paper and draft report and at the public hearing. SCA proposed that the current balance between the volumetric (per kL) charge and the fixed service charge to Sydney Water be changed, so that it generates more revenue from the fixed charge. Other stakeholders argued that the volumetric charge should be relatively higher, to more accurately signal the longer-term costs imposed (or avoided) if SCA's customers increase (or reduce) the amount of water they purchase. In turn, this can help to ensure that the amount of water consumed from SCA's storages is efficient, and that water conservation or supply augmentation measures are implemented where appropriate.

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IPART's has decided not to change SCA's current price structure, including the balance between the volumetric and fixed charges. IPART considers that this approach is a reasonable 'holding' option for the 2009 determination period, given that there is some uncertainty about SCA's operating environment over this period, due to the scheduled release of the updated Metropolitan Water Plan, the review of the water restrictions regime, the development of the operating regime for the desalination plant and the commissioning of this plant in 2010.

Once these matters have been resolved by Government, and IPART is able to determine SCA and Sydney Water's prices concurrently, IPART is interested in exploring the potential to introduce a form of scarcity pricing as part of its 2012 price reviews. Under such a pricing approach, IPART would set the price of water from SCA's dams to vary inversely with dam levels, reflecting the value of SCA water under prevailing conditions. This would have the potential benefits of: signalling to Sydney Water when it might be more appropriate to draw on alternative sources of water in preference to SCA supply (ie, when dam levels are low, and SCA's price is relatively high); providing incentives to Sydney Water to invest in additional water conservation and demand management measures, where efficient; and providing signals to potential new suppliers of bulk water. IPART envisages that this form of pricing would complement, rather than replace, the water restriction regime. IPART also favours a scarcity pricing model that protects non-discretionary levels of water consumption from large price rises – if variations in SCA's prices are passed through to Sydney Water's retail customers. IPART's preliminary thoughts on this pricing option are outlined further in Appendix F.

In making its decisions on the level of SCA's volumetric charge to Sydney Water over the 2009 determination period, IPART has used forecasts of SCA's sales to Sydney Water. These forecasts are based on Sydney Water demand projections (which have been updated since IPART's 2008 determination of Sydney Water's prices) less forecast supplies from Sydney Water's desalination plant and its North Richmond supply facility. In estimating supply from Sydney Water's desalination plant, IPART (and SCA) has relied on information provided by Sydney Water. According to Sydney Water, the desalination plant will operate at close to full capacity for its first two years of operation, as this is needed to assure the performance and reliability of the plant.<sup>5</sup>

### 1.1.5 IPART's use of output measures

For this determination, SCA's performance against a set of output measures set by IPART at its 2005 determination formed part of the assessment of the prudence of SCA's capital expenditure over 2005/06 to 2008/09 (see Chapter 6).

IPART has decided to develop output measures for the 2009 determination, as a starting point for the assessment of prudent expenditure at the next determination of SCA's prices. These output measures are listed in section 3.9 and Appendix H.

<sup>5</sup> Letter from Sydney Water to IPART, 5 May 2009 (available at: [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)).



### 1.1.6 Comparison with IPART's draft determination

Table 1.8 compares SCA's prices under IPART's draft determination with prices under this final determination, while Table 1.9 and Table 1.10 list impacts on Sydney Water and Wingecarribee Shire Council customers under the draft and final determinations. These tables show that, relative to the draft determination, the final determination increases SCA's prices by a relatively small amount and that its impact on the bills of water customers is very minor.

As mentioned above, differences between the draft and final determinations are due to:

- ▼ IPART's decision to set prices so that the present value of SCA's target revenue is equal to the present value of its notional revenue requirement over the determination period (see section 3.5), which has the effect of increasing prices
- ▼ a reduction in forecast SCA water sales (see Chapter 7), which also increases prices (as SCA's per unit prices have to rise to cover its costs – which are predominately fixed) and
- ▼ IPART's decision to use a lower WACC of 6.5 per cent in response to changed market parameters (see section 6.3 and Appendix E)<sup>6</sup>, which lowers SCA's revenue requirement and therefore offsets to a large extent the price rising effects of the previous two factors.

**Table 1.8 Final decisions compared to draft decisions on prices for SCA services from 2009/10 to 2011/12 (\$, real 2008/09)**

	Current price (2008/09)	2009/10	2010/11	2011/12
<b>Volumetric price to Sydney Water (\$/ML)</b>				
Draft determination	222.17	237.43	245.43	253.71
Final determination	222.17	240.61	250.57	260.92
Difference between final and draft		1.3%	2.1%	2.8%
<b>Fixed charge to Sydney Water (\$M)</b>				
Draft Determination	67.21	71.82	74.24	76.75
Final Determination	67.21	72.78	75.80	78.93
Difference between final and draft		1.3%	2.1%	2.8%
<b>Volumetric price to Local Councils (\$/ML)</b>				
Draft Determination	210.05	224.48	232.04	239.87
Final Determination	210.05	227.48	236.90	246.69
Difference between final and draft		1.3%	2.1%	2.8%
<b>Volumetric price for unfiltered water (\$/kL)<sup>a</sup></b>				
Draft Determination	0.84	0.90	0.93	0.96

<sup>6</sup> The WACC of 6.5 per cent is a real pre-tax WACC. IPART used a WACC of 7.0 per cent for the draft determination.

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	Current price (2008/09)	2009/10	2010/11	2011/12
Final Determination	0.84	0.91	0.95	0.99
Difference between final and draft		1.1%	2.2%	3.1%
<b>Volumetric price for raw water (\$/kL)<sup>a</sup></b>				
Draft Determination	0.49	0.53	0.54	0.56
Final Determination	0.49	0.53	0.55	0.58
Difference between final and draft		0.0%	1.9%	3.6%
<b>Fixed charge to unfiltered water customers – for 20 mm meters (\$)</b>				
Draft Determination	75.00	80.15	82.85	85.65
Final Determination	75.00	81.23	84.59	88.08
Difference between final and draft		1.3%	2.1%	2.8%

**a** These volumetric charges to unfiltered and raw water customers do not increase by the exact same proportions as SCA's other prices, due to rounding (to the nearest cent per kL).

**Table 1.9 Impact on Sydney Water customers: final determination compared to draft determination of SCA prices (\$, real 2008/09)**

	2009/10	2010/11	2011/12
<b>Increase in Sydney Water water service charge for typical households as a result of this determination<sup>a</sup></b>			
Draft determination	6.59	9.56	16.41
Final determination	6.77	12.40	16.45
<b>Increase in typical water and sewerage bills for Sydney Water's customers as a result of determination<sup>b</sup></b>			
Draft Determination	0.7%	1.0%	1.6%
Final Determination	0.7%	1.3%	1.6%

**a** Assumes a 20mm meter connection (as is the case for most residential premises).

**b** Assumes 20mm meter connection and water consumption of 200kL per annum.

**Table 1.10 Impact on Wingecarribee Shire Council customers: final determination compared to draft determination of SCA prices (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
<b>Typical household water bill (\$)</b>				
Draft Determination	380 <sup>a</sup>	383	385	387
Final Determination	380 <sup>a</sup>	384	386	388
<b>Typical household water bill: increase relative to 2008/09 (%)</b>				
Draft Determination		0.9%	1.3%	1.8%
Final Determination		1.0%	1.6%	2.2%
<b>Typical household water &amp; sewerage bill (\$)</b>				

	2008/09	2009/10	2010/11	2011/12
Draft Determination	900 <sup>b</sup>	903	905	907
Final Determination	900 <sup>b</sup>	904	906	908
<b>Typical household water &amp; sewerage bill: increase relative to 2008/09 (%)</b>				
Draft Determination		0.4%	0.6%	0.7%
Final Determination		0.4%	0.7%	0.9%

- a** According to Wingecarribee Shire Council, a typical water bill is currently about \$380 per annum, and the cost of purchasing bulk water from SCA accounts for approximately 12.5 per cent (\$47.50) of this bill (email to IPART, 5 December 2008).
- b** Wingecarribee Shire Council's April 2009 submission advised that residents are currently paying approximately \$520 per annum in sewerage charges. Therefore, assuming a typical water bill is \$380 per annum, a typical household water and sewerage bill is \$900 per annum.

## 1.2 Structure of this report

This report explains IPART's decisions for the determination in detail, including analysis supporting each decision. The report is structured as follows:

- ▼ Chapter 2 outlines the scope and context for the review, including IPART's review process, SCA's operating and regulatory environment, and SCA's submissions to IPART
- ▼ Chapter 3 outlines IPART's price setting approach and its decisions related to the regulatory framework
- ▼ Chapter 4 explains the 'building block' approach used to establish SCA's notional revenue requirement, and provides an overview of IPART's decisions on this revenue requirement and its individual components
- ▼ Chapters 5 and 6 discuss IPART's decisions on these individual components in more detail:
  - Chapter 5 explains the decisions on SCA's efficient operating expenditure
  - Chapter 6 explains the decisions on the allowances for a return on assets and regulatory depreciation.
- ▼ Chapter 7 sets out the decisions on SCA's forecast water sales
- ▼ Chapter 8 discusses the decisions on SCA's price structure and price levels
- ▼ Chapter 9 outlines the implications of IPART's pricing decisions, including the impacts on SCA, its customers and the environment.

## 2 Context for this review

As Chapter 1 noted, the purpose of IPART's review is to determine the maximum prices SCA can charge for the water services it provides to its customers. The following sections outline the context for the review, including IPART's review process, the matters it has considered, SCA's operations and regulatory environment and SCA's submissions to the review.

### 2.1 IPART's review process

For this review, IPART undertook an extensive investigation and public consultation process, including:

- ▼ releasing an issues paper in July 2008 to assist in identifying and understanding the key issues for review
- ▼ inviting SCA to make a submission to the review detailing its pricing proposal, and requiring it to provide extensive financial and performance data on the future capital and operating expenditure necessary to maintain service levels and respond to regulatory demands<sup>7</sup>
- ▼ inviting other interested parties to make submissions on the issues paper and SCA's submission<sup>8</sup>
- ▼ holding a public hearing on 19 November 2008 to discuss a wide range of issues raised by SCA and other stakeholders
- ▼ engaging an independent consultant, WorleyParsons Services Pty Ltd (WorleyParsons), to review SCA's capital expenditure, asset planning, asset lives and operating expenditure proposals
- ▼ releasing a draft report and draft determination, and inviting stakeholders to make submissions in response to these drafts.

IPART's draft report and determination, IPART's issues paper, stakeholder submissions, the transcript from the public hearing and WorleyParsons' reports are available on IPART's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)).

<sup>7</sup> SCA's submission was received on 12 September, 2008. SCA also submitted a supplementary submission on 4 December 2008, in response to IPART seeking clarification and elaboration from SCA on several aspects of its proposal.

<sup>8</sup> A total of 8 written submissions were received from other interested parties.

Having considered all matters raised in stakeholder submissions, IPART has now completed its investigation and made its final determination. The new charges will apply from 1 July 2009.

## 2.2 Matters considered

IPART is empowered to review and make determinations on the prices that SCA can charge for its water services, under the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act). Section 15 of this Act requires IPART to consider a broad range of matters when making determinations. These matters include:<sup>9</sup>

- ▼ **consumer protection** – the protection of consumers from abuses of monopoly power; the quality, reliability and safety standards of the services concerned; and the social impact of pricing decisions and their effect on inflation
- ▼ **economic efficiency** – the need for greater efficiency in the use and supply of services; the need to promote competition; and the need to consider demand management and least-cost planning
- ▼ **financial viability** – the cost of providing the services concerned; the appropriate rate of return on public sector assets; and the impact of pricing decisions on the agency's borrowing, capital and dividend requirements
- ▼ **environmental protection** – the need to promote ecologically sustainable development through appropriate pricing policies.

In considering these matters, IPART aimed to balance the diverse needs and interests of stakeholders, while also ensuring that SCA is adequately recompensed for the services it provides.

IPART also takes into account the principles issued by the Council of Australian Governments (COAG) and contained in the National Water Initiative.<sup>10</sup>

In addition, for this determination, the Minister for Water (Minister) directed IPART (under section 16A of the IPART Act)<sup>11</sup> to take account of the efficient costs of SCA's contribution to the Accelerated Sewerage Program, and set prices to recover these costs. (The effect of the Minister's direction on prices is discussed in Chapter 9, and the Minister's direction is provided in Appendix G.)

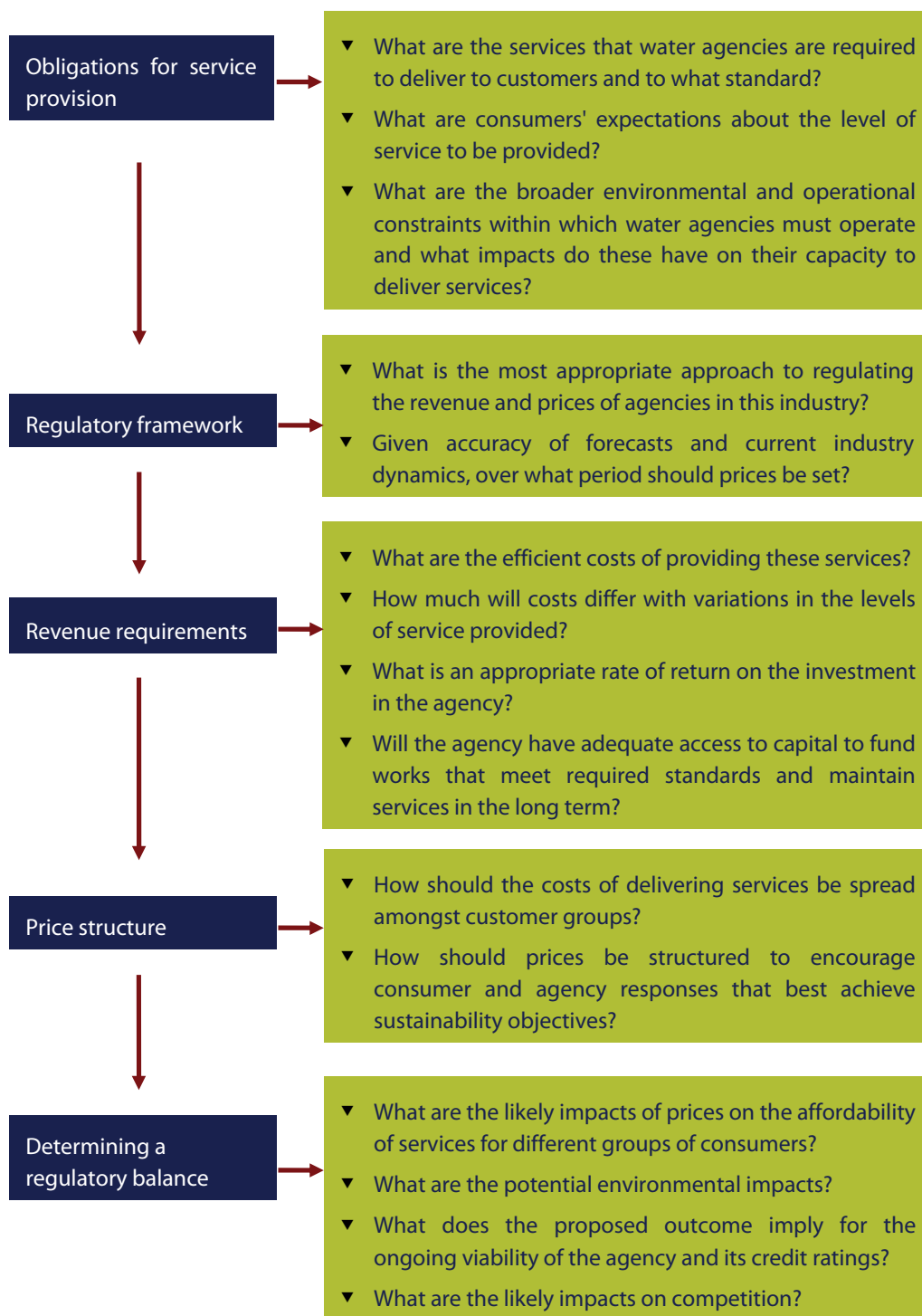
IPART's general approach to determining monopoly prices for water agencies is set out in Figure 2.1 below.

<sup>9</sup> The section 15 requirements are listed in full in Appendix A.

<sup>10</sup> The National Water Initiative has built on the principles established in the 1994 COAG Water Reform Framework.

<sup>11</sup> Section 16A of the IPART Act states that the "portfolio Minister for a government agency may direct the Tribunal .... to include in the maximum price an amount representing the efficient cost of complying with a specified requirement imposed on the agency".

**Figure 2.1 IPART’s determination process**



## 2.3 SCA's operations

SCA was established under the *Sydney Water Catchment Management Act 1998* (the Act). Its purpose is to manage and protect the water catchment areas and infrastructure under its control, and to supply bulk water of sufficient quality to Sydney Water and several smaller customers. Box 2.1 outlines its statutory objectives. The sections below discuss its customers, water supply system and regulatory and policy framework.

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### Box 2.1 SCA's statutory objectives

The *Sydney Water Catchment Management Act 1998* lists SCA's objectives as:<sup>a</sup>

- ▼ to ensure that the Catchment Areas and the Catchment Infrastructure Works are managed and protected so as to promote water quality, the protection of public health and safety, and the protection of the environment
- ▼ to ensure that water supplied by it complies with appropriate standards of quality
- ▼ where its activities affect the environment, to conduct its operation in compliance with the principles of ecologically sustainable development contained in section 6(2) of the *Protection of the Environment Administration Act 1991*; and
- ▼ to manage the SCA's Catchment Infrastructure Works efficiently and economically and in accordance with sound commercial principles.

<sup>a</sup> *Sydney Water Catchment Management Act 1998*; Section 14(1).

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### 2.3.1 SCA's customers

SCA's bulk water supply system is the source of drinking water for approximately 4.5 million people, or about 60 per cent of NSW's population.<sup>12</sup> Sydney Water currently purchases about 99 per cent of SCA's bulk water supply. SCA's other 'bulk' or 'wholesale' customers include Wingecarribee Shire Council and Shoalhaven City Council. SCA also supplies about 65 smaller 'unfiltered' and 'raw' water retail customers, who have direct offtakes from pipelines, canals and storages.

In addition, there are plans to build a pipeline from SCA's Wingecarribee Reservoir to Goulburn, to supply Goulburn Mulwaree Local Council with up to 7.4 ML of water per day in times of drought.<sup>13</sup> The total cost of constructing the 88 kilometre pipeline is estimated to be approximately \$50 million, with the NSW Government and the Federal Government's Water Fund each contributing \$20 million and the Goulburn Mulwaree Council liable for the remaining \$10 million.<sup>14</sup> Construction of

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<sup>12</sup> SCA submission, September 2008, p 8.

<sup>13</sup> Goulburn Mulwaree Council submission, April 2009.

<sup>14</sup> <http://www.environment.gov.au/water/programs/wsa/projects/nsw19.html>, accessed 12 February 2009.

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**2 Context for this review**

the pipeline is scheduled to commence in 2009, and it is expected to be completed by June 2011.<sup>15</sup>

As well as supplying these water customers, SCA is required to release water to the environment in accordance with the conditions of its water management licence.

**2.3.2 SCA's water supply system**

SCA's bulk water supply system has a total operating storage capacity of 2.6 million ML, and comprises a number of water storages and several water transfer conduits. SCA draws bulk water from five primary catchments: Blue Mountains, Shoalhaven, Warragamba, Woronora, and Upper Nepean.<sup>16</sup>

As Figure 2.2 shows, these catchments extend from the headwaters of the Coxs River north of Lithgow to the Shoalhaven River south of Braidwood. They (and therefore SCA's area of operations) cover more than 16,000 square kilometres, and include 3,700 square kilometres of Special Areas. These areas of bushland surround SCA's storages, and act as a buffer zone by stopping potentially harmful substances from entering the storages and restricting or prohibiting public access.

The water storages and infrastructure currently under SCA's control are shown in Figure 2.3. SCA's water balance, which lists its inflows and outflows, is provided in Appendix B.

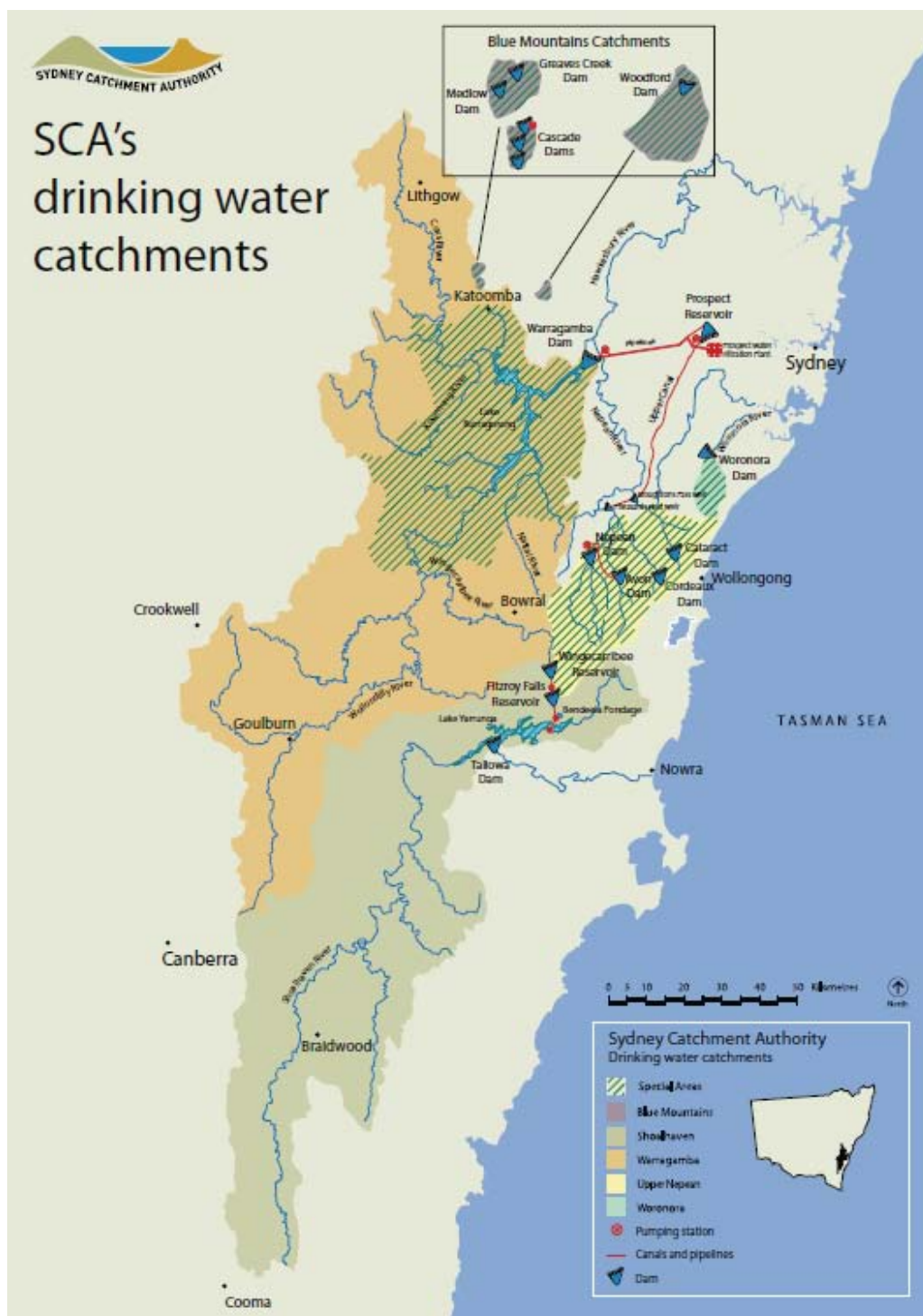
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<sup>15</sup> Goulburn Mulwaree Council submission, April 2009.

<sup>16</sup> SCA submission, September 2008, p 8 & Appendix A.



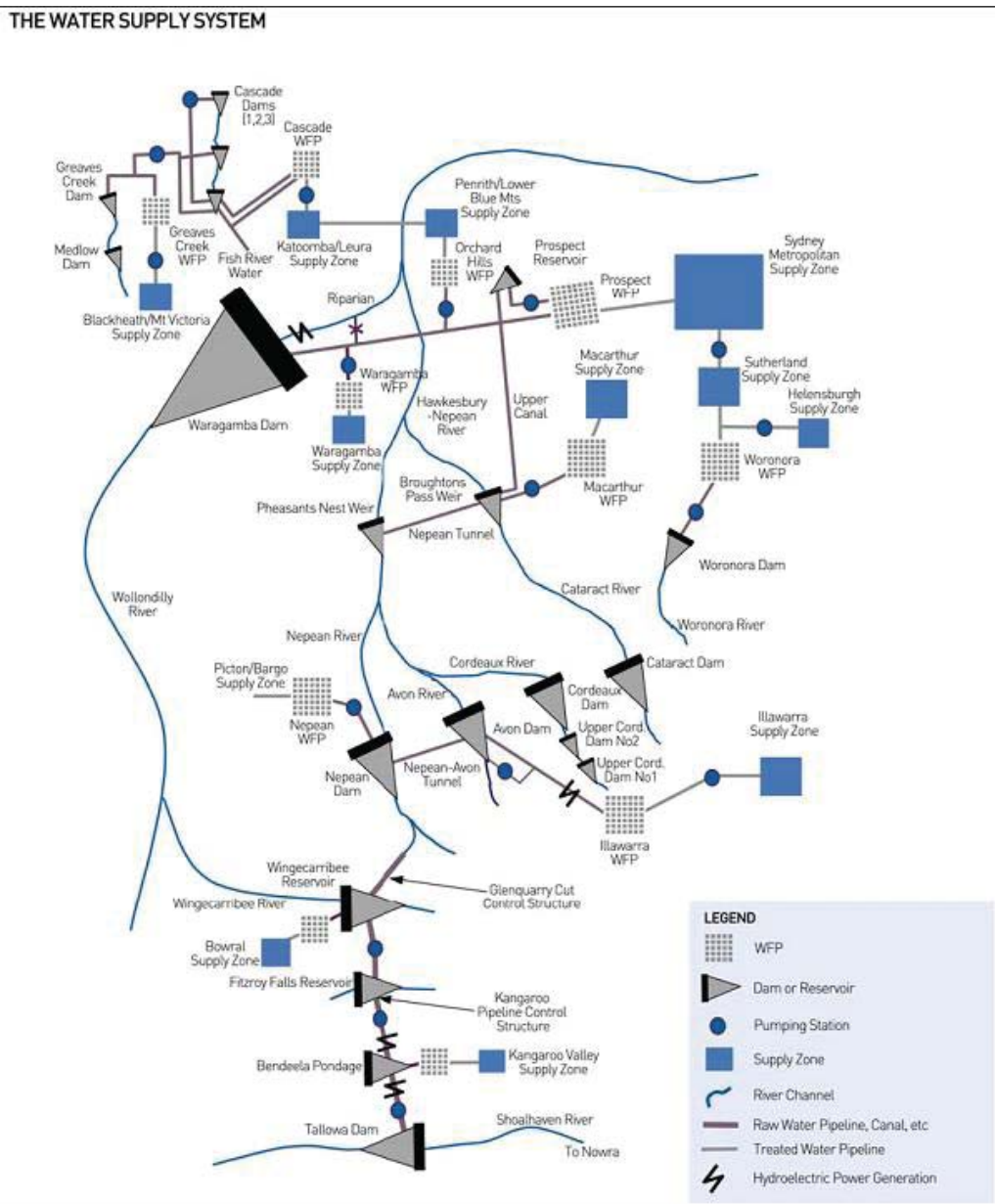
Figure 2.2 SCA's catchments and special areas



Source: [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au), accessed May 2009.

2 Context for this review

**Figure 2.3 Water storages and infrastructure under SCA’s control**



**Note:** SCA infrastructure only includes infrastructure upstream of water filtration plants (WFP). Other infrastructure is controlled by organisations other than SCA.

**Source:** [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au), accessed 12 May 2009.

### 2.3.3 SCA's regulatory and policy framework

Because of the important environmental, social, health and economic issues associated with catchment management and bulk water supply, SCA's operations are closely regulated by a number of agencies, through a range of regulatory and planning instruments. The requirements and obligations imposed by these instruments are an important driver of the organisation's costs, and therefore its prices.

The sections below outline the key regulatory instruments and requirements, including SCA's operating licence and water management licence, its Memoranda of Understanding in relation to environmental protection, water quality and public health, requirements related to dam safety and fisheries management, the state of the catchment audit, environmental planning instruments, bulk water supply agreements, and the Metropolitan Water Plan.

#### The operating licence

SCA's operating licence, which is issued under section 25 of the Act, sets out the terms and conditions under which SCA must meet its objectives and other requirements under the Act, and its performance standards, indicators and reporting requirements.<sup>17</sup> The operating licence contains provisions relating to bulk water quality, catchment management and protection, an environment plan and environmental performance indicators, management of catchment infrastructure works and water conservation, asset management, customer service and licence audits.

IPART is responsible for monitoring and reporting on SCA's compliance with the operating licence (in addition to setting the maximum prices SCA can charge). The current operating licence is for 2006-2010, and is available via SCA's website ([www.sca.nsw.gov.au](http://www.sca.nsw.gov.au)).

#### The water management licence

SCA's water management licence authorises it to take and use water from water sources and water management works as specified in this licence. The water management licence also specifies the amount of water SCA must release as environmental flows.<sup>18</sup>

<sup>17</sup> See section 1.1 of SCA's operating licence.

<sup>18</sup> SCA's water management licence was granted in April 2001, pursuant to Part 9 of the *Water Act 1912*, by the Water Administration Ministerial Corporation (DWE undertakes water resource management activities on behalf of the Water Administration Ministerial Corporation). The licence is for a term of 20 years, but must be reviewed before the end of each five year period for the term of the licence. (See: <http://www.sca.nsw.gov.au/about-sca/legislative-framework/water-management-licence>, accessed 24 February 2009.)

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## 2 Context for this review

SCA began releasing environmental flows from Avon Dam in 2008, and work is underway to modify the nearby Cataract, Cordeaux and Nepean dams and downstream weirs to allow new environmental flow releases to pass down the river.<sup>19</sup> The NSW Government has also announced new flow rules from Tallowa Dam, which will commence once all water restrictions in Sydney are lifted.<sup>20</sup> Further, the NSW Government has been preparing water sharing plans for the river and groundwater systems of the greater Sydney region, which will specify environmental flow requirements. These plans are expected to be gazetted in 2009.<sup>21</sup>

The NSW Department of Water and Energy (DWE), which has primary responsibility for the management of water resources throughout NSW, is responsible for administering SCA's water management licence and the water sharing plans.

### Memoranda of Understanding

SCA has established Memoranda of Understanding (MoU) with NSW Health, the NSW Department of Environment and Climate Change (DECC), and the Water Administration Ministerial Corporation (part of DWE), as required by section 36 of the Act. SCA's operating licence sets out requirements in relation to each of these MoU, which relate to environmental protection, water quality standards and public health.<sup>22</sup>

### Requirements in relation to dam safety and fisheries management

The dams SCA manages are deemed to be 'prescribed dams', and therefore must meet the requirements set by the NSW Dams Safety Committee. Under the *Dams Safety Act 1978* and the *Mining Act 1992*, this committee's main objective is to ensure that all 'prescribed dams' in NSW are in such a condition as to not pose an unacceptable danger to downstream residents and property, or to adversely affect the public welfare and environment. This is achieved by requiring all dam owners to arrange for regular monitoring and surveillance of their dams, ongoing assessment of their behaviour on the basis of monitoring and surveillance information, regular review of the compliance of their dams with current standards and review of all such information and assessments by experienced personnel.<sup>23</sup>

In addition, SCA is required to meet requirements set by the NSW Department of Fisheries (under the *Fisheries Management Act 1994*) to install infrastructure enabling fish to migrate along river systems within the catchment area.

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<sup>19</sup> NSW Government, *Metropolitan Water Plan 2008 Progress Report*, January 2009, p 30 and 32.

<sup>20</sup> *Ibid*, p 31.

<sup>21</sup> *Ibid*, p 32.

<sup>22</sup> See: [www.sca.nsw.gov.au/about-sca/legislative-framework/memoranda-of-understanding](http://www.sca.nsw.gov.au/about-sca/legislative-framework/memoranda-of-understanding), accessed 24 February 2009; and section 2.3 of SCA's operating licence.

<sup>23</sup> Dams Safety Committee, *DSC1 – General Information*, April 2005, [www.damsafety.nsw.gov.au/DSC/Download/Info\\_Sheets\\_PDF/General/DSC01.pdf](http://www.damsafety.nsw.gov.au/DSC/Download/Info_Sheets_PDF/General/DSC01.pdf), accessed 28 May 2009.

### The state of the Catchment audit

The Act requires that SCA's performance is monitored via an audit of the state of Sydney's drinking water catchment. This audit is to be undertaken every two years, and a report on its finding is to be submitted to the Minister responsible for SCA.

DECC undertook the most recent audit, which covered the period from 1 July 2005 to 30 June 2007. The audit report is available on DECC's website ([www.environment.nsw.gov.au](http://www.environment.nsw.gov.au)), and its recommendations are summarised in Appendix C.

### Environmental planning instruments

The Sydney Drinking Water Catchments Regional Environmental Plan No 1 (REP) is intended to assist SCA in fulfilling its catchment protection function, and also imposes requirements and responsibilities on SCA. It replaces State Environmental Planning Policy No 58 (SEPP 58)<sup>24</sup> and:

- ▼ sets water quality objectives for the Catchment
- ▼ requires SCA to develop Rectification Actions Plans (RAPs)
- ▼ requires councils to prepare and review local environmental plans (LEPs), which include consideration of strategic land and water capability assessments
- ▼ requires councils to assess and approve new developments and activities in the catchments, and that proposals have a neutral or beneficial effect on water quality.<sup>25</sup>

### Bulk water supply agreements

Section 22 of the Act requires SCA to enter into agreements with Sydney Water regarding the supply of bulk water. The agreements are to deal with water quality, continuity of water supply, the maintenance of adequate reserves of water by SCA and the cost paid by Sydney Water. In addition, SCA's operating licence requires it to enter into agreement with other customers to define the terms and conditions of bulk water supply by SCA.

SCA's Bulk Water Supply Agreement (BWSA) with Sydney Water commenced in September 1999 for a term expiring on 30 June 2004. This term was subsequently extended to the end of 2005. A new BWSA commenced in April 2006 for an unspecified period.<sup>26</sup>

<sup>24</sup> SEPP 58 required councils to only grant approval to developments that demonstrated a neutral or beneficial effect on drinking water quality, and to seek agreement from SCA for certain developments.

<sup>25</sup> Sydney Catchment Authority and NSW Department of Planning, *Sustaining the Catchments – The Regional Plan for the drinking water catchments of Sydney and adjacent regional centres, Summary Brochure*, 1 January 2007.

<sup>26</sup> Halcrow Pacific Pty Ltd, *2007 Operational Audit of Sydney Catchment Authority, Audit Report*, Report to IPART, December 2007, p 3-5.

## 2 Context for this review

SCA has also finalised a BWSA with Shoalhaven City Council and is working towards finalising a BWSA with Wingecarribee Shire Council.<sup>27</sup> IPART expects that SCA will also develop a BWSA with Goulburn Mulwaree Council, in light of the planned Wingecarribee to Goulburn pipeline.

### The Metropolitan Water Plans

Although not a regulatory instrument per se, the Metropolitan Water Plan is a major driver of SCA's investment and operational requirements. The Metropolitan Water Plan was first developed in 2004, with an updated version released in 2006 and progress reports published in 2007 and 2008. This plan is the NSW Government's strategy for ensuring that Sydney's water supply matches demand over the next 25 years. It identified several projects to be carried out by SCA to augment Sydney's water supplies. These include:

- ▼ accessing previously inaccessible deep water in Warragamba and Nepean dams
- ▼ increasing transfers of water from the Shoalhaven to Sydney, involving increasing the capacity of Tallowa Dam (by raising the dam wall) and construction of new transfer conduits
- ▼ modifications to Tallowa Dam to allow fish passage and to improve the quality of water releases for the downstream environment, and new environmental flow operating rules from Tallowa Dam to the Shoalhaven River
- ▼ investigating potential groundwater resources in the catchments, including sites at Kangaloon, Leonay and Wallacia
- ▼ modifications to dam outlets at SCA's Upper Nepean dams to enable the release of flows in accordance with a new environmental flow regime.<sup>28</sup>

The 2008 Progress Report on the Metropolitan Water Plan<sup>29</sup> noted that:

- ▼ SCA has completed works at Warragamba and Nepean dams to enable it to access water at the bottom of these dams<sup>30</sup>
- ▼ Modifications at Tallowa Dam include works to allow fish to travel up and over the dam wall. These modifications will also improve the quality of environmental water released from the dam<sup>31</sup>
- ▼ SCA has completed its investigation of the potential for using groundwater from sites at Kangaloon, Leonay and Wallacia<sup>32</sup>

<sup>27</sup> [www.sca.nsw.gov.au/water-quality/bulk-water-supply-agreements](http://www.sca.nsw.gov.au/water-quality/bulk-water-supply-agreements), accessed 6 May 2009.

<sup>28</sup> NSW Government, *2006 Metropolitan Water Plan*.

<sup>29</sup> NSW Government, *Metropolitan Water Plan 2008 Progress Report*, January 2009.

<sup>30</sup> *Ibid*, p 11.

<sup>31</sup> *Ibid*, p 31.

<sup>32</sup> *Ibid*, p 12.



- ▼ Avon Dam has been modified to allow environmental flow releases, which commenced in March 2008. Work is underway to modify the Cataract, Cordeaux and Nepean dams and thirteen downstream weirs to enable releases to flow down the river for environmental benefit.<sup>33</sup>

However, since the 2004 Metropolitan Water Plan, the Government has decided not to proceed with raising the dam wall at Tallowa. Instead, it is looking at alternative operational arrangements for the Shoalhaven Transfer Scheme and investigating pipeline and tunnel options should it proceed with transfers of more water from Tallowa Dam to Sydney and the Illawarra.<sup>34</sup>

## 2.4 Overview of SCA's submission to the Issues Paper

SCA provided its initial submission and its Information Returns to IPART in September 2008, and a supplementary submission in December 2008 that provided clarification and further information on a few elements of its initial submission. Since then, SCA has also advised IPART's consultants (WorleyParsons) of relatively minor adjustments to its actual capital expenditure in 2006/07 and 2007/08 and its estimated operating expenditure in 2008/09.<sup>35</sup>

In relation to operating expenditure, SCA spent approximately 9 per cent more over 2005/06 to 2008/09 than IPART allowed for in the 2005 determination. This was due to unforeseen costs associated with pumping water from the Shoalhaven to Sydney, to augment Sydney's water supply during the drought. When these pumping costs are excluded, SCA's operating costs over the 2005 determination period were about 1.5 per cent less than allowed for in the 2005 determination.<sup>36</sup>

SCA is forecasting an 11.8 per cent increase in operating expenditure from 2008/09 to 2009/10. This is due to the NSW Government's requirement for it to contribute \$17.7 million (\$2009/10) to the Accelerated Sewerage Program. When these costs are excluded (and the costs of pumping water from the Shoalhaven are excluded from its past operating costs),<sup>37</sup> SCA's forecast operating expenditure over the 2009 determination period is about 3.6 per cent less than 2008/09 levels.

<sup>33</sup> Ibid, p 30.

<sup>34</sup> NSW Government, *2006 Metropolitan Water Plan*, pp 83-85; and NSW Government, "Water for Life, frequently asked questions", [www.waterforlife.nsw.gov.au/about/frequently\\_asked\\_questions](http://www.waterforlife.nsw.gov.au/about/frequently_asked_questions), accessed 12 February 2009.

<sup>35</sup> SCA has advised WorleyParsons that its expected operating expenditure for 2008/09 has been revised from \$86 million to \$87 million (including \$4 million in Shoalhaven pumping costs). SCA's financial audit (which was finalised after its submission) identified \$6.3 million in capital expenditure that was not included in its 2008 Information Returns (and submission) to IPART. This is comprised of \$6.6 million that was incorrectly excluded from SCA's capital costs for 2007/08, less \$0.3 million that was incorrectly included in SCA's capital costs for 2006/07. (WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 5 and p 71.)

<sup>36</sup> See: WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, pp 22-23.

<sup>37</sup> Estimated at \$4 million in 2008/09.

## 2 Context for this review

In relation capital investment, SCA spent significantly less over the 2005 determination period (about 34 per cent) than IPART allowed for in the 2005 determination. This is primarily due to the NSW Government's decision not to proceed with raising the Tallowa Dam wall, which meant that the Shoalhaven Transfers Scheme did not proceed. Excluding the forecast costs of Shoalhaven Transfer Scheme, SCA's capital expenditure over the 2005 determination period was about 28 per cent more than allowed for in the 2005 determination.

For the 2009 determination period, SCA's forecast capital expenditure program is modest compared to its program for 2005/06 to 2008/09. Its submission indicates it proposes to spend an average of \$42.8 million per year over the 2009 determination period, compared to an average of \$101.4 million per year over the 2005 period.

Other key elements of SCA's pricing proposal include:

- ▼ a three year price path, to enable alignment with Sydney Water at the next price review
- ▼ a 7.5 per cent return on assets, to be achieved in each year of the price path
- ▼ a mechanism to enable SCA to pass through Shoalhaven pumping costs to Sydney Water throughout the determination period
- ▼ a mechanism to make price adjustments in the subsequent determination (2012), where the variation between SCA's actual and forecast water demand is more than +/- 5 per cent over the 2009 determination period
- ▼ a change in the balance between revenue generated through fixed charges and volumetric charges to Sydney Water, so that more revenue is generated through the fixed charge (around 80 per cent in 2009/10 compared to about 38 per cent in 2008/09) and less revenue is generated through the volumetric charge (around 20 per cent in 2009/10 compared to around 62 per cent in 2008/09)
- ▼ the maintenance of prices to Local Councils at their 2008/09 levels, in real terms
- ▼ increases to unfiltered water prices so they are aligned with Sydney Water's unfiltered water charges, and increases to raw water prices so they are aligned with unfiltered water prices by the end of the determination period (this would affect approximately 65 retail customers<sup>38</sup>).

SCA's submission expressed concern that IPART may have underestimated SCA sales volumes in the 2008 Sydney Water determination, and that a "shortfall of eight gigalitres per annum in SCA's sales is equivalent to a loss of revenue of approximately \$1.8 million per annum to SCA."<sup>39</sup> IPART notes, however, that its determination of SCA's volumetric price to Sydney Water is based on the sales forecasts outlined in Chapter 7 of this report. It also notes that the cost pass through

<sup>38</sup> SCA's 65 retail customers are comprised of 7 raw water customers and 58 unfiltered water customers. (SCA's 2008 Information Return to IPART forecasts 7 raw water customers over the 2009 determination period, and recent information provided by SCA shows that it now services 58 unfiltered water customers.)

<sup>39</sup> SCA submission, September 2008, p 44.



mechanism established at the 2008 Sydney Water determination adjusts Sydney Water's retail prices to account for any difference between:

1. SCA's prices set at this determination and the forecast sales volumes used to set these prices (ie, the estimated cost of Sydney Water's purchases of bulk water from SCA over 2009/10 to 2011/12 as a result of this determination), and
2. SCA's prices and forecast sales volumes used to set Sydney Water's prices at its 2008 determination (ie, the cost of Sydney Water's purchases of bulk water from SCA over 2009/10 to 2011/12 – as assumed when setting Sydney Water's prices at its 2008 determination).<sup>40</sup>

SCA also expressed concern that the meter numbers used in the denominator of the pass through formula from IPART's 2008 Sydney Water determination may not be the number of 20mm equivalent connections, but rather the residential portion of 20mm connections only.<sup>41</sup> However, IPART confirms that the forecast 20mm equivalent connection numbers in the cost pass through mechanism in IPART's 2008 Sydney Water determination include both residential and non-residential connections.

Table 2.1 shows SCA's proposed annual notional revenue requirement at the time of its September 2008 submission, which equates with its proposed annual target revenue from charges in each year of the determination period. Tables 2.2 and 2.3 list SCA's proposed prices and the implications of these proposed prices for Sydney Water's customers. Table 2.3 shows that SCA's proposed charges to Sydney Water would result in increases in typical residential water service charges of about \$18 per annum, relative to the schedule of charges set at the 2008 determination of Sydney Water's prices. According to SCA, in 2009/10 this is comprised of \$7 per customer for the increase in return on assets and \$11 per customer for SCA's contribution to the Accelerated Sewerage Program (ASP).

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<sup>40</sup> As noted in Chapter 1, IPART's 2008 Sydney Water determination included a pass through mechanism that allows Sydney Water to adjust its water service charges to reflect changes in its bulk water cost as a result of the 2009 determination of SCA's prices. (See: IPART, *Review of prices for Sydney Water Corporation's water, sewerage, stormwater and other services, From 1 July 2008, Determination*, June 2008, pp 64-68.)

<sup>41</sup> SCA submission, September 2008, p 44.

## 2 Context for this review

**Table 2.1 SCA's proposed revenue requirement (\$ million, real 2008/2009)**

	2008/09	2009/10	2010/11	2011/12
Operating expenditure	87.0 <sup>a</sup>	97.3 <sup>b</sup>	80.0	80.0
Depreciation <sup>c</sup>	19.6	21.1	21.8	21.9
Return on assets <sup>c</sup>	78.1	95.1	97.5	98.6
<b>Revenue requirement</b>	<b>184.7</b>	<b>213.5</b>	<b>199.3</b>	<b>200.5</b>

<sup>a</sup> Adjusted up from SCA's submission – see pages 22 to 23 of WorleyParsons' *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*.

<sup>b</sup> Includes SCA's \$17.7 million (\$2009/10) contribution to the Accelerated Sewerage Program (ASP).

<sup>c</sup> WorleyParsons notes that SCA's financial audit identified \$6.258 million that has not been included in its 2008 Information Returns to IPART. This would affect SCA's opening RAB value for the 2009 determination period and hence its allowance for depreciation and return on assets. The figures in Table 2.1 are from SCA's September 2008 submission.

**Source:** SCA submission, September 2008, p 36.

**Table 2.2 SCA's proposed prices (\$, real 2008/09)**

	Current price (2008/09)	2009/10	2010/11	2011/12
Volumetric price to Sydney Water (\$/ML)	222.17	75.59	78.69	78.76
Fixed charge to Sydney Water (\$M)	67.21	172.43	161.52	161.67
Volumetric price to Local Councils (\$/ML)	210.05	210.05	210.05	210.05
Volumetric price for unfiltered water (\$/kL) <sup>a</sup>	0.84	1.50	1.60	1.63
Volumetric price for raw water (\$/kL) <sup>a</sup>	0.49	0.87	1.25	1.63
Fixed charge to unfiltered water customers – for 20 mm meters (\$) <sup>a</sup>	75.00	90.96	105.86	116.39
Fixed charge to unfiltered water customers – for meter size > 20 mm (\$)	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400

<sup>a</sup> SCA does not specifically list unfiltered and raw water prices in its submission. The prices listed in this table are based on its proposal on p 43 of its submission that "unfiltered water prices be fully aligned with Sydney Water unfiltered water prices" and that "over the next price path, raw water customers' usage charge be glide pathed up, to align with that of unfiltered water customers."

**Source:** SCA submission, September 2008, pp 41-43, and SCA 2008 Information Returns.

**Table 2.3 Impact of SCA's proposed prices on Sydney Water customers (\$, real 2008/09)**

<b>Typical water &amp; sewerage bill: Household (20mm meter), consuming 200 kL pa</b>	2009/10	2010/11	2011/12
Bill - 2008 Sydney Water determination	\$933	\$974	\$997
Increase to bill from 2009 SCA determination	\$18	\$17	\$19
Increase to bill from 2009 SCA determination	1.9%	1.8%	1.9%

**Source:** SCA submission, September 2008, p 45.

## 2.5 Overview of SCA's submission in response to the draft determination and draft report

In response to IPART's draft determination and draft report, SCA's April 2009 submission stated that elements of IPART's approach to setting prices in the draft determination may expose it to financial risk. To reduce this risk, it reiterated its arguments for the following measures:

- ▼ A substantially higher fixed revenue component from charges to Sydney Water. SCA believes that its charges should be set so that it recovers approximately 80 per cent of its revenue via its fixed charge to Sydney Water.
- ▼ A pass through mechanism for SCA's costs of pumping water from the Shoalhaven River.
- ▼ Setting prices so that SCA is able to recover its full notional revenue requirement over the price path. SCA suggested that a 'Net Present Value (NPV) smoothing approach' should be adopted.<sup>42</sup>
- ▼ Determining an appropriate weighted average cost of capital (WACC).

SCA estimated that these measures would have a minimal impact on Sydney Water and its customers.

Further, SCA provided an update on its forecast sales to Sydney Water over the next three years. Over the determination period, the revised forecast is 26 gigalitres (GL) lower than allowed by IPART in the draft determination.<sup>43</sup>

IPART's considerations of SCA's proposals are outlined further at relevant sections throughout this report.

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<sup>42</sup> Under this approach, prices are set so that: i) prices increase smoothly over the regulatory period; and ii) the present value of a utility's expected revenue from tariffs equates with the present value of its notional revenue requirement over the regulatory period.

<sup>43</sup> SCA submission, April 2009, p 15.

### 3 IPART's approach to setting prices

The approach to price setting can be defined as the rules and methodologies a regulator uses to determine, monitor and change prices for regulated services over a determination period. For this review, IPART used the same broad approach it has used in past determinations of SCA's prices to calculate SCA's notional revenue requirement, and convert this revenue requirement into prices. It also reviewed and made decisions on several aspects of its price setting approach, including:

- ▼ the length of the determination period
- ▼ the aggregate pricing approach
- ▼ whether to adjust SCA's notional revenue requirement to account for SCA's lower than forecast water sales and lower than expected capital expenditure over the 2005 determination period
- ▼ whether to introduce a regulatory mechanism to address the risk that there is significant variation between SCA's forecast water sales and actual water sales over the 2009 determination period
- ▼ whether to introduce a regulatory mechanism to allow SCA to pass through unforeseen costs associated with pumping water from the Shoalhaven to Sydney over the 2009 determination period
- ▼ whether to require SCA to report on its progress against output measures, and if so, what these measures should be.

The section below summarises IPART's approach and decisions in relation to price setting. The following sections discuss the price setting approach and decisions in more detail.

#### 3.1 Overview of price setting approach and decisions

As for previous determinations, IPART used the building block approach to calculate SCA's notional revenue requirement. To convert this amount into prices, it maintained the current price structure, which includes volumetric (per ML or kL) charges and fixed (per month and per annum) charges. It also maintained the relative proportions of revenue to be generated through each type of charge, and increased all of SCA's charges (to all of its customers) by the same percentage over the determination period. It set the level of charges after considering a range of matters. In particular, it aimed to balance several objectives including ensuring

SCA's financial viability, encouraging economic efficiency and protecting water consumers from price shocks.

IPART has decided to adopt a three-year determination period, from 1 July 2009 to 30 June 2012. This will enable future price determinations for SCA to occur at the same time as those for Sydney Water and increase certainty and clarity for all stakeholders.

After considering the views of stakeholders, economic efficiency and the need to balance SCA's financial viability and customer impacts, IPART decided to set final price levels so that the present value of SCA's target revenue equates with the present value of its notional revenue requirement over the determination period.<sup>44</sup> In doing so, IPART also decided to adopt a similar price path to the draft determination. This means that prices will increase by a significant but reasonable amount in 2009/10, then increase smoothly and more gradually in the remaining two years of the determination period.

In addition, IPART decided not to adjust SCA's notional revenue requirement to account for lower than forecast water sales and lower than expected capital expenditure in the 2005 period. It considers an adjustment is unnecessary, as the effects of these variations have approximately offset each other. It also decided not to include a regulatory mechanism to address the risk of variations between forecast water sales and actual water sales in the 2009 determination, or to allow SCA to pass through costs associated with pumping water from the Shoalhaven. Finally, IPART decided to require SCA to report on progress against six output measures.

### **3.2 Approach for determining the notional revenue requirement**

As for previous determinations, IPART used the building block approach to calculate SCA's notional revenue requirement in each year of the determination period. To apply this approach, it made decisions on the revenue SCA will require for efficient operating expenditure and capital investment over the determination period.

IPART considers the building block approach has advantages over alternative approaches. In particular, it ensures that the full, efficient costs of providing the regulated services are measured and monitored in a rigorous and transparent way. It also enables IPART to create incentives for the regulated business to improve its economic efficiency over the determination period. In addition, it is consistent with the approach IPART uses in regulating other water businesses and industries in NSW.

Chapter 4 provides a fuller explanation of the building block approach and summarises IPART's decisions on each building block.

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<sup>44</sup> This is sometimes referred to as an 'NPV neutral' approach.

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3 IPART's approach to setting prices

### 3.3 Broad approach for converting the notional revenue requirement into prices

To convert the notional revenue requirement into prices, IPART considered a range of matters, including:

- ▼ SCA's forecast water sales over the determination period
- ▼ the structure of SCA's prices, and the ratio of the revenue to be generated from each type of charge
- ▼ the level of prices.

#### 3.3.1 Forecast water sales

SCA's forecast water sales over the determination period are an important input for setting the level of charges that vary with customer usage (ie, SCA's volumetric charges). The less accurate these forecasts are, the greater the risk that the prices IPART sets will result in SCA either over- or under-recovering its required revenue over the determination period. IPART's considerations and decisions on forecast water sales are discussed in Chapter 7.

#### 3.3.2 Price structure and ratio of revenue to be generated from each type of charge

The structure of prices and the ratio of revenue to be generated from each type of charge are important, as they have implications for the price signals sent to customers and the revenue risk for SCA.

After considering the views of SCA and other stakeholders, IPART maintained the current price structure, which includes a variable volumetric (or usage) charge and a fixed service charge to Sydney Water. It also maintained the current volumetric/fixed ratio of charges to Sydney Water, whereby SCA generates around two-thirds of its required revenue through the volumetric charge and about one-third through the fixed charge. In addition, IPART decided to increase all charges, to all customers, by the same percentage over the determination period.

IPART's considerations and decisions on these issues are discussed in detail in Chapter 8.

#### 3.3.3 Price levels

IPART does not simply set prices to generate the annual notional revenue requirement. Rather, in line with the requirements of the IPART Act, it considers a range of matters, including:

- ▼ the magnitude of the price increases required to generate the annual notional revenue requirement, and impacts of these increases on water customers with varying levels of water consumption

- ▼ the implications of these and smaller price increases for SCA and its shareholders – including the implications for SCA's short and long-term financial viability, likely rate of return over the determination period, ability to pay dividends, and credit rating.

It then sets price levels to achieve a balance between potentially competing objectives, such as ensuring that price increases do not have unacceptable impacts on customers and society in general, and allow SCA to generate sufficient revenue to operate, maintain and renew its assets, and carry out its functions in a way that meets its service standards and other obligations. Achieving this balance can mean that it sets price levels so that SCA's target revenue (ie, the revenue it is expected to generate through charges) is less than its notional revenue requirement in some or all years of the determination period.

For this determination, IPART decided to set prices so that the present value of SCA's target revenue equals the present value of its notional revenue requirement over the determination period. This decision, along with IPART's decision on the pattern of price increases over the determination period, is discussed in section 3.5 below.

### 3.4 Length of the determination period

#### Decision

- 1 IPART's decision is to adopt a three-year determination period (from 1 July 2009 to 30 June 2012).

#### 3.4.1 SCA's proposal

SCA proposed a three-year determination period, as it considers there would be risks associated with setting prices for longer than three years.<sup>45</sup> These risks arise from uncertainty about several issues with major implications for SCA's expenditure requirements, which should be resolved in the coming years. For example, the NSW Government is expected to release its next Metropolitan Water Plan in 2010. SCA expects this plan will include decisions on the Shoalhaven Transfer Scheme, the Upper Canal project, the timing of environmental flow releases from Warragamba Dam, the water restriction regime and the desalination plant's operating rules.

SCA also notes that a three-year determination period would ensure that IPART's next price determination for SCA will coincide with its determination for Sydney Water (in 2012).

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<sup>45</sup> SCA submission, September 2008, p 25.

### 3 IPART's approach to setting prices

#### 3.4.2 Stakeholder views

In their submissions to this price review, both Jemena Limited and Total Environment Centre (TEC) supported a three-year determination period to align IPART's price reviews for SCA and Sydney Water.

Jemena Limited considered that a three-year determination period recognises the interdependence of SCA and Sydney Water, and reduces SCA's exposure to uncertainty about the operating strategy for Sydney Water's desalination plant beyond its initial two years of operation.<sup>46</sup>

TEC submitted that there is value in aligning the price paths of SCA and Sydney Water, as SCA's prices have a major bearing on Sydney Water's prices and are crucial in providing a conservation signal to encourage Sydney Water to invest in demand management.<sup>47</sup>

#### 3.4.3 IPART's considerations

On balance, IPART considers that a three year determination period (1 July 2009 to 30 June 2012) is appropriate. This will enable future price determinations of SCA and Sydney Water to be aligned, which will enhance certainty and clarity for all stakeholders.

### 3.5 Aggregate pricing approach

#### Decision

- 2 IPART's decision is to set prices so that the present value of SCA's target revenue equates to the present value of its notional revenue requirement over the determination period.

In the 2005 determination, IPART used a 'p-nought adjustment' and then 'glide path' aggregate pricing approach. Under this approach, price increases in the first year of the determination period were higher than subsequent years (ie, a 'p-nought adjustment'). Then, in the remaining years of the period, prices increased smoothly by amounts sufficient for SCA's target revenue to equal to its notional revenue requirement in the final year only.

For the draft determination, IPART decided to use the same pricing approach as the 2005 determination. In present value terms, this resulted in SCA's expected revenue from tariffs being \$21.9 million less than its notional revenue requirement over the determination period.

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<sup>46</sup> Jemena Limited submissions: October 2008, p 2; and April 2009, p 1.

<sup>47</sup> Total Environment Centre submission, October 2008, p 3.



### 3.5.1 Stakeholder views

SCA opposed the pricing approach in the draft determination. It argued that IPART should set prices so that the present value of its expected revenue from tariffs equates with the present value of its notional revenue requirement over the determination period. SCA states that an 'NPV smoothed' approach<sup>48</sup> can be used to manage price impacts, while also allowing for full cost recovery over the regulatory period. It estimates that using an 'NPV smoothed' price path, rather than the price path of the draft determination, would result in only very minor additional price increases to Sydney Water and its customers.<sup>49</sup>

Sydney Water did not support IPART's approach in the draft determination of setting prices to recover "less than efficiently determined costs." It also believes that IPART should set prices so that the present value of expected revenues equals the present value of efficient costs. Sydney Water also contends that the price increase necessary for full cost recovery is small.<sup>50</sup>

Jemena also expressed its concern that the price path of the draft determination would result in revenue that, in present value terms, is \$21.9 million below SCA's expected costs over the determination period.<sup>51</sup>

### 3.5.2 IPART's considerations

For this final determination, IPART has decided to set prices so that the present value of SCA's target revenue equates to the present value of its notional revenue requirement over the determination period. In doing so, it has also set prices so that price increases in the first year of the determination period are higher than in subsequent years. Table 3.1 shows that, in present value terms, the difference between SCA's notional revenue requirement and its target revenue is zero, and that SCA's prices to Sydney Water and Local Councils will increase by approximately 8.3 per cent in 2009/10 and then by about 4.1 per cent in each of 2010/11 and 2011/12.

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<sup>48</sup> Under this approach, prices increase relatively smoothly over the determination period, but in a manner that ensures that the present value of a utility's expected revenue from prices equates with the present value of its notional revenue requirement.

<sup>49</sup> SCA submission, April 2009, p 10.

<sup>50</sup> Sydney Water Corporation submission, April 2009, p 1.

<sup>51</sup> Jemena submission, April 2009, p 1.

## 3 IPART's approach to setting prices

**Table 3.1 Decision on aggregate pricing approach (\$ million, real 2008/2009)**

	Current (2008/09)	2009/10	2010/11	2011/12
Notional revenue requirement	182.3	201.6	187.1	188.2
Present value of notional revenue requirement	532.9			
Target revenue (expected revenue from tariffs)	182.3	193.7	189.5	194.6
Present value of target revenue	532.9			
Difference between present value of notional revenue requirement and present value of target revenue	0.0			
Year on year increase in charges (%) <sup>a</sup>		8.3%	4.1%	4.1%
Expected rate of return (real pre-tax) (%)	6.3%	5.9%	6.7%	7.0%

<sup>a</sup> Volumetric charges to unfiltered and raw water customers (which account for less than 0.05 per cent of SCA's total sales) do not increase by the exact same proportions as SCA's other prices, due to rounding (to the nearest cent per kL).

In reaching this decision, IPART considered the views of stakeholders and matters under section 15 of the IPART Act, including potential impacts on customers arising from this review, financial implications for SCA and economic efficiency.

In particular, IPART considered how prices would increase under an 'NPV neutral approach'<sup>52</sup> compared to the pricing approach used in the draft determination. It calculated that, relative to the approach used for the draft determination, an NPV neutral approach would add only a small amount to the bills of water customers.<sup>53</sup> This is due to the offsetting effect on prices of IPART's decision to use a lower WACC of 6.5 per cent.<sup>54</sup>

In setting the price path, IPART also took into account SCA's operating and capital expenditure needs, which are higher in the first year of the determination period.

### 3.6 Adjustment to account for lower than forecast water sales and lower than expected capital expenditure over the 2005 determination

#### Decision

- 3 IPART's decision is to not adjust the notional revenue requirement for the 2009 determination period to account for SCA's lower than forecast water sales and unspent monies associated with the Shoalhaven Transfers Scheme over the 2005 determination period.

<sup>52</sup> Under this approach, the difference between the present value of SCA's target revenue (or expected revenue from tariffs) and the present value of its notional revenue requirement is zero.

<sup>53</sup> The NPV neutral approach adds between 0.2 per cent (approximately \$2 per annum in 2009/10) and 0.4 per cent (about \$4 per annum in 2011/12) to a typical Sydney Water customer's annual water and sewerage bill (assuming a 'typical' customer has a 20mm meter connection and consumes 200kL per annum).

<sup>54</sup> In comparison, the draft determination used a WACC of 7.0 per cent.

As section 3.3.1 discussed, IPART uses forecasts of water sales over a determination period in setting SCA's volumetric charges. If SCA's actual water sales over that period are greater than forecast, it will over-recover revenue relative to its revenue requirement. But if actual sales are less than forecast, it will under-recover revenue.

In its 2005 determinations on prices for Sydney Water and SCA, IPART introduced the option of adjusting the notional revenue requirements in the subsequent determination period where variations between forecast and actual sales were outside a deadband of +/- 10 per cent.

In addition, in making its 2005 determination on SCA's prices, IPART noted that there was significant uncertainty about the timing and level of SCA's forecast capital expenditure on the Shoalhaven Transfer Scheme.<sup>55</sup> Therefore, it indicated that it would adjust SCA's revenue requirement in the 2009 determination to account for any unspent monies allowed for in the 2005 determination for the Shoalhaven Transfers Scheme.

### 3.6.1 SCA's proposal

SCA reported that, at the time of its September 2008 submission, its water sales for the 2005 determination period were 12<sup>56</sup> per cent less than the forecasts IPART used to set prices in 2005.<sup>57</sup> SCA estimated that this will result in a total shortfall in revenue of approximately \$57 million (some \$14 million of which relates to variations greater than the - 10 per cent deadband).<sup>58</sup>

SCA also reported that the NSW Government's decision not to proceed with the raising of Tallowa Dam led to changes in the form and timing of the Shoalhaven Transfers Scheme outlined in SCA's 2005 determination expenditure program. As a result, its capital expenditure was less than forecast. It estimates that it has generated around \$30 million in return on assets and depreciation associated with this unrealised capital investment.<sup>59</sup>

SCA submitted that the revenue effects of not proceeding with the raising of Tallowa Dam have been offset by the revenue effects of its lower than forecast water sales, and therefore it would be inequitable for IPART to adjust its revenue requirements of the 2009 determination period to account for lower than forecast capital expenditure associated with the Shoalhaven Transfers Scheme.<sup>60</sup>

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<sup>55</sup> The Shoalhaven Transfers Scheme involved increasing the capacity of Tallowa Dam (through the installation of radial gates) and construction of new transfer conduits, to increase the yield from the Shoalhaven to Sydney (NSW Government, *2006 Metropolitan Water Plan*, p 84).

<sup>56</sup> The latest estimate of SCA's actual sales for 2008/09 (approximately 486 GL), as provided in SCA's April 2009 submission (p 15), suggests that this figure will now be 13 per cent. See Table 7.2, in section 7.2, of this report.

<sup>57</sup> SCA submission, September 2008, p 18.

<sup>58</sup> *Ibid*, p 24.

<sup>59</sup> *Ibid*, p 25.

<sup>60</sup> *Ibid*.

### 3 IPART's approach to setting prices

#### 3.6.2 IPART's considerations

IPART accepts SCA's view that the \$30 million in revenue generated as a return on assets and depreciation for capital expenditure on the Shoalhaven Transfers Scheme that it did not actually incur has been more than offset by a shortfall of approximately \$57 million in water sales revenue. Therefore, it decided not to reduce the revenue requirement for 'unspent' monies associated with the Shoalhaven Transfer Scheme (raising Tallowa Dam), or to increase SCA's revenue requirement for the 2009 determination period to account for sales below forecasts over the 2005 determination period.

IPART notes that the revenue associated with a return on assets and depreciation for the unrealised capital expenditure on the Shoalhaven Transfers Scheme will be generated in the 2005 determination period only. This is because only capital expenditure that is actually incurred and deemed prudent will be included in calculating the value of SCA's Regulatory Asset Base (RAB) over the 2009 determination period. This value is used to determine SCA's allowance for return on assets and depreciation over this determination period. (This is discussed in detail in Chapter 6.)

IPART also notes that decisions on the Shoalhaven Transfers Scheme were beyond SCA's control. The NSW Government made the decision not to proceed with the raising of Tallowa Dam and the Shoalhaven Transfers Scheme, after IPART's 2005 determination of SCA's prices.<sup>61</sup>

#### 3.7 Mechanism to address risk of significant variation between forecast water sales and actual water sales over the 2009 determination period

##### Decision

- 4 IPART's decision is not to include a mechanism to adjust the notional revenue requirement in the next determination period to account for differences between the forecast water consumption used to set prices in the 2009 determination period and the actual water consumption in this period.

##### 3.7.1 SCA's proposal

SCA submitted that there is considerable potential for continuing revenue volatility associated with consumption forecasting and medium-term price setting, due to uncertainty over future dam levels (and hence water restrictions) and the operating regime of the desalination plant. It proposed that IPART include in the 2009 determination a mechanism to make price adjustments in the subsequent

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<sup>61</sup> See: NSW Government, *2006 Metropolitan Water Plan*, p 85, available at: [www.waterforlife.nsw.gov.au/about/plan](http://www.waterforlife.nsw.gov.au/about/plan).

determination, where the variation between actual and forecast water demand is more than +/- 5 per cent.<sup>62</sup>

### 3.7.2 IPART's considerations

Uncertainty about water availability due to drought has lessened because of rising dam levels (which are currently around 60 per cent<sup>63</sup>) and an improved seasonal outlook. IPART acknowledges that there is some future uncertainty about water demand from Sydney Water, until the operating rules for the desalination plant have been released by Government. However, IPART notes that supply from the plant is relatively certain for its two-year commissioning period (January 2010 to 31 December 2011)<sup>64</sup>, which comprises much of the upcoming determination period. For these reasons, IPART considers that a consumption adjustment mechanism is not necessary.

## 3.8 Mechanism to allow SCA to pass through unforeseen costs associated with pumping water from the Shoalhaven

### Decision

- 5 IPART's decision is not to introduce a mechanism to allow SCA to pass through to Sydney Water unforeseen costs associated with water transfers from the Shoalhaven.

### 3.8.1 SCA's proposal

To augment Sydney's water supply in times of drought, SCA has pumped water from the Shoalhaven. SCA estimates that unforeseen costs of pumping water from the Shoalhaven over the 2005 determination period amounted to \$31 million to the end of 2007/08.<sup>65</sup>

Due to uncertainty associated with the volume and cost of water that may have to be pumped from the Shoalhaven over the 2009 determination period, SCA proposed that a mechanism be included in the determination to allow it to pass through to Sydney Water the cost of Shoalhaven pumping. It submitted that:

The SCA believes that in order to provide greater regulatory certainty and ensure that risks are appropriately managed, a well-defined and systematic process should be put in

<sup>62</sup> SCA submission, September 2008, p 24.

<sup>63</sup> [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au), as at 18 May 2009.

<sup>64</sup> Sydney Water's 5 May 2009 letter to IPART (which is available at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au), along with other submissions to this review) advises forecast supply volumes from the desalination plant over 2009/10 to 2011/12 (which are incorporated into SCA's sales forecasts, as outlined in Chapter 7 of this report). This letter states that the plant "will operate at full capacity, or close to full capacity, for the first two years of operation, regardless of dam levels", as this proving period is needed to assure the performance and reliability of the plant.

<sup>65</sup> SCA submission, September 2008, p 23.

## 3 IPART's approach to setting prices

place for responding to unforeseen events, that enables prices to be adjusted within the period.

It is noted that IPART has put in place a sophisticated methodology to pass through the SCA's prices to Sydney Water over the next price path. Similarly the SCA proposes that the cost of pumping water from the Shoalhaven should also be immediately passed on to Sydney Water. As pumping occurs in times of water shortage, if the cost is in turn passed through to Sydney Water's customers in their next available bill, it would have the effect of sending a water conservation signal to consumers.<sup>66</sup>

IPART notes that on 7 November 2008, the Minister for Water announced a three-year moratorium on pumping from the Shoalhaven.<sup>67</sup> This is based on current water storage levels, the impacts of recycling projects underway by Sydney Water, and the commissioning of the desalination plant in 2009/10.

Nevertheless, SCA has since maintained its view that it is prudent to establish a pass-through mechanism for Shoalhaven pumping costs.<sup>68</sup> In arguing for an annual, ex-post pass through of Shoalhaven pumping costs, SCA's submission to the draft determination notes the following:

- ▼ Such a pass through is consistent with scarcity pricing – ie, SCA is more likely to pump water from the Shoalhaven when dam levels are low and these additional costs could then be passed through to Sydney Water and its customers.
- ▼ It is not possible for SCA to accurately predict when pumping will be needed. System modelling can determine, on average, the volume to be pumped from Shoalhaven, but in practice this volume will fluctuate considerably. Including forecast average pumping costs in prices would have the effect of overcharging customers unnecessarily, and lead to excess returns when pumping is not needed.
- ▼ Sydney Water has indicated that it has no difficulty with Shoalhaven pumping costs being passed through to it and its customers on a periodic basis.
- ▼ Over the last eight months, SCA's dam levels have dropped from above 65 per cent to about 58 per cent. Notwithstanding the current moratorium on pumping water from the Shoalhaven, "it is possible the SCA may need to pump during the next price path."<sup>69</sup>

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<sup>66</sup> Ibid.

<sup>67</sup> "Sydney cuts reliance on Shoalhaven for drinking water", <http://www.sca.nsw.gov.au/news/ministerial-media-releases/sydney-cuts-reliance-on-shoalhaven-for-drinking-water---minister-phillip-costa-mp>, accessed 28 May 2009.

<sup>68</sup> SCA submission, December 2008, p 5; and SCA submission, April 2009, p 8.

<sup>69</sup> SCA submission, April 2009, p 8.

### 3.8.2 Stakeholder views

The Total Environment Centre (TEC) supported SCA's proposal for a pass-through mechanism for Shoalhaven pumping costs. However, it argued that Sydney Water should not be able to pass through these costs to its customers, in order to provide a strong resource conservation signal to Sydney Water.<sup>70</sup>

Sydney Water submitted that it would be concerned if Shoalhaven pumping costs were to be passed through to its customers *immediately* after they were incurred (ie, at the next bill). It opposed this approach as it could involve up to four price changes to its customers in a year, and result in high administrative costs to reconfigure billing systems and inform customers. However, Sydney Water indicated that if IPART assesses that SCA is not able to absorb Shoalhaven pumping costs in between determinations, the pass-through mechanism in Sydney Water's determination could be used to pass through these costs on an *annual* basis.<sup>71</sup>

IPART notes that, in response to Sydney Water's concern, SCA indicated at the Public Hearing that it envisages that the pass through of Shoalhaven pumping costs could occur on an annual basis.<sup>72</sup>

### 3.8.3 WorleyParsons' review

After reviewing SCA's expenditure, WorleyParsons found that no Shoalhaven pumping costs should be allowed for in calculating SCA's efficient operating expenditure for the 2009 determination period.<sup>73</sup> It considered that pumping from the Shoalhaven is unlikely over the determination period, as the NSW Government has recently declared a moratorium on transfers from the Shoalhaven system for the next three years. This reflects current water storage levels in SCA's system, forecast climatic conditions and expected water production from Sydney Water's desalination plant.

### 3.8.4 IPART's considerations

After considering the views of SCA and other stakeholders and WorleyParsons' finding, IPART has decided not to include a pass-through for Shoalhaven pumping costs in this determination. The Government's recent announcement of a three-year moratorium on pumping from the Shoalhaven suggests that SCA will incur little or no such pumping costs over the 2009 determination period. IPART considers that a cost pass-through mechanism would add unnecessary complexity to the regulatory

<sup>70</sup> Total Environment Centre submission, October 2008, p 2.

<sup>71</sup> Sydney Water submission, October 2008, pp 1-2.

<sup>72</sup> Transcript of Public Hearing for IPART's Review of Water Prices for the Sydney Catchment Authority, 19 November 2008, p 17.

<sup>73</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 82.



### 3 IPART's approach to setting prices

regime, given it appears the probability that it will be needed or justified over the next three years is low.

IPART also notes that it is likely that the conservation or 'scarcity' signalling effects of a pass through of Shoalhaven costs would be weak over the 2009 determination period. Under the cost pass through formula established as part of the 2008 determination of Sydney Water's prices, any change in SCA's prices as a result of a pass through of Shoalhaven pumping costs would automatically be passed through to Sydney Water's customers. As a result, Sydney Water would be in the same financial position regardless of whether or not it takes water from the Shoalhaven. The pass through of Shoalhaven pumping costs is therefore unlikely to influence Sydney Water's sourcing decisions. Also, much of the 2009 determination period coincides with the initial two year proving period of the desalination plant – where Sydney Water intends to run the plant at close to full capacity to test its operation (regardless of dam levels or the incremental cost of supply from SCA compared to the desalination plant).

A pass through of Shoalhaven pumping costs would also provide a weak signalling effect to Sydney Water's customers over the 2009 determination period. This is because, under the aforementioned cost pass through formula established at the last Sydney Water determination, any change in SCA's prices would be passed through to water customers' fixed (rather than usage) charge. Furthermore, to be administratively feasible, pumping costs would have to be added to SCA's prices and passed through to Sydney Water's customers sometime after they are incurred (eg, pumping costs incurred in 2009/10 could be added to 2010/11 prices), meaning that there could be a mismatch between the actual scarcity of water and the change in customers' water bills.

However, in line with a scarcity pricing option (see Appendix F), IPART acknowledges that a pass through of Shoalhaven pumping costs could potentially provide an effective price signal to Sydney Water beyond the 2009 determination period, and thus help to signal to Sydney Water when it should obtain water from other sources in preference to SCA (and vice-versa).

Nevertheless, for future price determinations IPART considers that SCA should outline any forecast Shoalhaven pumping costs, and explain and justify these forecasts. While IPART recognises that there is some inherent uncertainty associated with such forecasts, developing and refining them over time is likely to be an important element of SCA's business planning and its pricing proposals.

### 3.9 Requirement to report on progress against output measures

#### Decision

- 6 IPART's decision is to require SCA to monitor and report annually on progress against the output measures described in Box 3.2 below throughout the 2009 determination period.



In the 2005 determination, independent consultants engaged by IPART to assess each metropolitan water agency's operating and capital expenditure (WS Atkins International Ltd/Cardno MBK) recommended that IPART specify outputs for each agency against which to measure the prudence of capital and operating expenditure in price determinations. Accordingly, in the 2005 determination, IPART specified a set of output measures based on each agency's proposed expenditure program. SCA's output measures are set out in Box 3.1.

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**Box 3.1 2005 determination output measures for SCA**

1. Substantial completion of the Deep Storage scheme and provision of an additional 30GL per annum resource yield by July 2006.
  2. Substantial completion of the Prospect Pumping Station and associated Dam remedial works by March 2007.
  3. Substantial completion of the Warragamba Spillway and associated works by June 2007.
  4. Completion of phase 1 of the Shoalhaven scheme and provision of an additional 50GL per annum resource yield by July 2010.
  5. Completion of works to allow the release of environmental flows into the Upper Nepean River by July 2010.
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For the 2009 determination, IPART asked WorleyParsons to review SCA's progress against these measures as part of its assessment of the prudence of SCA's capital expenditure over 2005/06 to 2008/09 (discussed in Chapter 6).

IPART has decided to maintain the use of output measures as a starting point for the assessment of prudent expenditure and the basis for reporting on any deviation from targets established. After considering WorleyParsons' advice on "the criticality of various projects",<sup>74</sup> IPART has developed output measures for the 2009 determination to reflect SCA's current operating environment and forecast capital expenditure program. This list of output measures is presented in Box 3.2 below, with further information on each measure provided in Appendix H.

In its draft report, IPART sought stakeholder comment on these output measures. In response, the Total Environment Centre (TEC) stated that IPART's proposed output measures provide a useful means of assessing SCA's performance in relation to capital and operating expenditure. However, TEC also asserted that these measures are too narrowly focused and do not allow measurement of SCA's performance in relation to catchment protection.<sup>75</sup> IPART's view, however, is that indicators of SCA's performance in catchment protection are best addressed through SCA's operating licence, and notes that Schedule 2 of this licence provides a number of catchment protection and environmental performance indicators. In 2010, IPART

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<sup>74</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 78.

<sup>75</sup> Total Environment Centre submission, April 2009, p 3.

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will be conducting an end of term review of SCA's operating licence and encourages stakeholders to provide feedback on these performance indicators.

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**Box 3.2 2009 determination output measures for SCA**

1. Deliver a strategy for the future of the Upper Canal by June 2013.
  2. Complete the Prospect Reservoir upstream embankment stabilisation upgrade by April 2013.
  3. Complete the Warragamba Dam crest gates construction project by 30 June 2011.
  4. Complete the Wingecarribee Dam safety upgrade project by June 2013.
  5. Complete the Upper Nepean environmental flows works project by April 2010.
  6. Complete the Metropolitan Dams electrical systems upgrade project by April 2013.
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## 4 Overview of SCA's revenue requirement

As Chapter 3 discussed, IPART used the building block approach to determine SCA's notional revenue requirement over the determination period. To apply the building block approach, IPART made decisions on:

- ▼ The revenue required for operating expenditure over the determination period. This amount represents IPART's estimate of SCA's forecast efficient operating, maintenance and administration costs, plus an allowance for working capital.
- ▼ The revenue required for capital investment over the determination period, including:
  - an allowance for a return on assets, which represents IPART's assessment of the opportunity cost of capital invested in SCA by its owner, and ensures that efficient investment in capital continues into the future
  - an allowance for a return of assets (regulatory depreciation), which recognises that through the provision of services to customers, a water utility's capital infrastructure will wear out over time and that an allowance is therefore required for the cost of maintaining the capital base.

The sum of these amounts represents IPART's view of SCA's total efficient costs over the determination period, or its notional revenue requirement.

Next, as Chapter 3 also discussed, IPART considered the price levels required to generate the notional revenue requirement and the implications of these price levels for customers, SCA's financial viability and economic efficiency. After considering these interests, IPART decided to set prices so that the present value of SCA's expected revenue from prices (ie, its 'target revenue') equates with the present value of its notional revenue requirement over the determination period.

The sections below set out SCA's proposed revenue requirement, and provide an overview of IPART's decisions on SCA's notional revenue requirement and target revenue. Chapters 5 and 6 discuss these decisions in detail.

## 4 Overview of SCA's revenue requirement

**4.1 SCA's proposed revenue requirement**

SCA's original submission identified a need to increase its revenue requirement by approximately 8.6 per cent in real terms from 2008/09 (the last year of the current determination period) to 2011/12 (\$ 2008/09). This is shown in Table 4.1 below.

**Table 4.1 SCA's proposed revenue requirement (\$ million, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Operating expenditure	87.0 <sup>a</sup>	97.3 <sup>b</sup>	80.0	80.0
Allowance for a return on assets <sup>c</sup>	78.1	95.1	97.5	98.6
Allowance for regulatory depreciation	19.6	21.1	21.8	21.9
<b>Notional revenue requirement</b>	<b>184.7</b>	<b>213.5</b>	<b>199.3</b>	<b>200.5</b>

<sup>a</sup> Adjusted up from SCA's submission – see pages 22 to 23 of WorleyParsons' *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*.

<sup>b</sup> Includes SCA's \$17.7 million (\$2009/10) contribution to the Accelerated Sewerage Program (ASP).

<sup>c</sup> Assumes a real pre-tax WACC of 7.5 per cent.

**Source:** SCA submission, September 2008, p 36.

SCA's proposed efficient operating expenditure did not include any costs for pumping water from the Shoalhaven to Sydney. Rather, as Chapter 3 discussed, SCA proposed that any costs incurred in pumping water from the Shoalhaven be passed through to Sydney Water and its customers.

**4.2 Overview of decisions on SCA's revenue requirement**

IPART's application of the building block approach resulted in a lower notional revenue requirement than SCA proposed, due to differences in the components related to capital investment. IPART's allowances for a return on assets and regulatory depreciation are lower than those proposed by SCA, due to differences in capital expenditure incorporated into the RAB and the rate of return on SCA's RAB (discussed in Chapter 6). Overall, IPART's decision on the total notional revenue requirement over the determination period is around 6 per cent lower than SCA's proposed revenue requirement.

IPART's decisions on the notional revenue requirement and target revenue are shown in Table 4.2. Chapters 5 and 6 explain how IPART made its decisions on the revenue SCA requires for operating expenditure and for capital investment (including the allowances for a return on assets and regulatory depreciation). Please note that working capital and 'other revenue' are not discussed further in this report, as these relatively small amounts do not have a significant impact on prices.

**Table 4.2 Decisions on SCA's annual notional revenue requirement and annual target revenue (\$million, real 2008/09)**

	Current (2008/09)	2009/10	2010/11	2011/12
Operating expenditure	87.0 <sup>a</sup>	80.0	80.0	80.0
Contribution to ASP (operating expenditure) <sup>b</sup>		17.3		
Allowance for a return on assets	76.3	82.7	84.3	84.9
Allowance for regulatory depreciation	18.9	21.2	22.0	22.5
Allowance for working capital	0.5	0.8	1.2	1.2
Other (unregulated) revenue <sup>c</sup>	(0.4)	(0.4)	(0.3)	(0.4)
Notional revenue requirement <sup>d</sup>	182.3	201.6	187.1	188.2
Target revenue	182.3	193.7	189.5	194.6
Difference between present value of notional revenue requirement and present value of target revenue	0.0			
Expected rate of return	6.3%	5.9%	6.7%	7.0%

<sup>a</sup> Includes \$4 million in Shoalhaven pumping costs.

<sup>b</sup> SCA's contribution to the Accelerated Sewerage Program (ASP). This is classed as operating expenditure.

<sup>c</sup> SCA earns income from renting out some of its facilities (eg, its conference centre). In line with its 2008 determination of Sydney Water's prices, 50 per cent of this unregulated income has been deducted from SCA's notional revenue requirement. IPART's 2008 report (p 37) of its determination of Sydney Water's prices noted that this approach achieves an appropriate balance between passing benefits of other income onto customers (via lower prices) and providing the utility with an incentive to pursue these opportunities.

<sup>d</sup> Totals may not add due to rounding.

## 5 Revenue required for operating expenditure

To determine SCA's notional revenue requirement for operating expenditure, IPART assessed SCA's proposed operating expenditure and assessed the efficient level of operating costs it will incur in providing services over the determination period.

As part of this assessment, IPART engaged WorleyParsons, an independent engineering consultant, to review SCA's forecast operating expenditure. IPART also invited submissions from stakeholders on:

- ▼ the efficiency of the projected operating expenditure outlined in SCA's submission
- ▼ whether there was scope for SCA to achieve further efficiency gains over the determination period.

The section below summarises IPART's decision on the revenue required for operating expenditure. The following sections discuss IPART's considerations in reaching this decision, including SCA's submission on its past and forecast operating expenditure, WorleyParsons' review and recommendations on these expenditures, stakeholders' comments, and IPART's own analysis and findings on SCA's operating expenditure.

### 5.1 Summary of IPART's decision

Decision

- 7 IPART's decision on the efficient level of operating expenditure SCA requires to provide its services over the period 2009/10 to 2011/12 is shown in Table 5.1 below.

**Table 5.1 Decision on revenue required for operating expenditure (\$ million, real 2008/09)**

	2009/10 <sup>a</sup>	2010/11	2011/12	Total
SCA proposed <sup>b</sup>	97.3	80.0	80.0	257.3
WorleyParsons recommended <sup>c</sup>	97.8	80.0	80.0	257.8
IPART decision	97.3	80.0	80.0	257.3

<sup>a</sup> Includes SCA's \$17.7 million (\$2009/10) contribution to the Accelerated Sewerage Program (ASP).

<sup>b</sup> SCA submission, September 2008, p 7.

<sup>c</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 7.

IPART has accepted SCA's proposed operating expenditure over 2009/10 to 2011/12. It considers that these forecasts represent a reasonable estimate of SCA's efficient operating costs over this period, particularly given some of SCA's proposed efficiency measures.

## 5.2 SCA's submission

SCA's September 2008 submission outlined its past operating expenditure over the 2005 determination period and its forecast operating expenditure for the 2009 determination period, and explained the drivers of this expenditure.

### 5.2.1 Past operating expenditure

SCA's submission indicated that, excluding the costs associated with pumping water from the Shoalhaven to Sydney, SCA's operating expenditure over the 2005 determination period was close to the operating expenditure IPART allowed for in making the 2005 determination.

SCA's submission noted that it did not include Shoalhaven pumping costs in its pricing proposal for the 2005 determination, partly due to uncertainty regarding the ongoing need for this pumping. It also noted that the adaptive management approach to implementing the Metropolitan Water Plan resulted in considerable volatility in SCA's operating and capital expenditure over the 2005 determination period. For example, the NSW Government's decision to not proceed with the raising of Tallowa Dam meant that a portion of expenditure on this project, which was previously classified as capital expenditure, had to be 'expensed' (ie, classed as operating expenditure), in accord with Australian Accounting Standards.<sup>76</sup>

### 5.2.2 Forecast operating expenditure

SCA's submission indicated that, excluding the costs of its contribution to the Accelerated Sewerage Program (ASP) in 2009/10 (\$17.7 million in \$2009/10<sup>77</sup>), its forecast operating expenditure is \$80 million in each year of the 2009 determination period.<sup>78</sup>

The ASP includes a number of sewerage projects designed to significantly reduce the loads of pathogens and nutrients discharged to catchment waterways. SCA reports that when complete, the ASP will reduce the loads of nitrogen by 25 tonnes per annum and the loads of phosphorus by 15 tonnes per annum.<sup>79</sup> In October 2007, the Government approved an additional \$17.7 million funding for the ASP. In July 2008, the Minister for Water directed SCA to pay the Department of Water and Energy this

<sup>76</sup> SCA submission, September 2008, pp 19-20.

<sup>77</sup> This equates to \$17.3 million in \$2008/09.

<sup>78</sup> Ibid, p 32.

<sup>79</sup> Ibid, p 26.

## 5 Revenue required for operating expenditure

\$17.7 million.<sup>80</sup> As Chapter 2 noted, the Minister for Water also directed IPART to include the efficient cost of SCA complying with the direction to contribute these funds to the ASP in making its 2009 determination.

IPART notes that SCA's operating expenditure for 2008/09 was \$83 million (excluding \$4 million in costs associated with Shoalhaven pumping).<sup>81</sup> Relative to this expenditure, SCA's forecast expenditure of \$80 million per annum includes an efficiency saving of approximately 3.6 per cent. SCA's submission noted this efficiency saving is possible due to a number of initiatives, including:

- ▼ moving dam safety survey work in-house
- ▼ renegotiating the Special Area Strategic Plan of Management (SASPoM) Service Contract with the Department of Environment and Climate Change (DECC)
- ▼ reviewing and redeveloping the Dam Safety Management Program, leading to better risk identification and cost savings
- ▼ improving the efficiency of its catchment program through better targeting of activity as a result of the Catchment Decision Support System
- ▼ developing an evaluation and monitoring process for all catchment activities.<sup>82</sup>

### 5.3 WorleyParsons' review

#### 5.3.1 WorleyParsons' findings on past operating expenditure

In assessing SCA's past operating expenditure, WorleyParsons examined a number of cost categories – including labour, hire and contract services, bulk water purchases, materials, energy, licence fees, administration, grants and sponsorships, property, maintenance of assets, insurance, employee provisions, and other provisions. WorleyParsons used trend analysis to examine reasons for movement in costs over time.<sup>83</sup> It noted that trend analysis can be valuable in reviewing SCA's costs, given that its functions and the scale of its operations are relatively stable over time.

<sup>80</sup> SCA's contribution includes \$13.4 million for four sewage treatment plant (STP) upgrades (Bowral, Bundanoon, Robertson and Kangaroo Valley), a contribution of \$1 million to build Taralga's sewage treatment plant and \$3.3 million to upgrade Braidwood's STP. (SCA submission, September 2008, p 26.)

<sup>81</sup> See: WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, pp 5-6.

<sup>82</sup> SCA submission, September 2008, p 32.

<sup>83</sup> According to WorleyParsons, where changes in costs over time exceed a threshold (10 per cent movement for operational expenditure) and where the overall cost is material (>\$200,000), a rationale for the movement was sought. (WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)* January 2009, p 16.)



WorleyParsons found that:

- ▼ SCA undertook minimal activity that falls outside its regulated activities, and confirmed that the cost of this unregulated activity is separated from its regulated costs.
- ▼ SCA achieved operating cost savings via lower insurance costs and some operating efficiency gains associated with capital projects.
- ▼ SCA's total actual operating expenditure was 9.0 per cent greater than IPART allowed for in the 2005 determination. However, when Shoalhaven pumping costs are excluded, SCA's actual operating expenditure was only 1.5 per cent greater than that allowed for in the 2005 determination (see Table 5.2).
- ▼ In addition to Shoalhaven pumping costs, SCA incurred other unforeseen operating costs including 'expenses' associated with the raising of Tallowa Dam and the development of groundwater sources. A portion of expenditure on these projects, previously classified as capital expenditure, has been expensed following the Government's decision not to proceed with their completion.

Based on these findings, WorleyParsons concluded that SCA's operating expenditure over the 2005 determination period was efficient.

**Table 5.2 SCA's actual operating expenditure over 2005/06 to 2008/09 compared to expenditure allowed for in 2005 determination (\$ million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09 <sup>a</sup>	Total
Expenditure allowed for in 2005 determination	89.0	88.8	87.2	85.4	350.4
Actual expenditure including Shoalhaven pumping costs	91.7	98.7	104.4	87.0	381.8
% variation	3.0%	11.1%	19.7%	1.9%	9.0%
Actual expenditure excluding Shoalhaven pumping costs	82.4	88.6	91.2	83.0	345.2
% variation	-7.4%	-0.2%	4.6%	-2.8%	1.5%

<sup>a</sup> SCA's expenditure for 2008/09 is forecast rather than actual expenditure.

**Source:** WorleyParsons' *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, pp 22-23.

5 Revenue required for operating expenditure

### 5.3.2 WorleyParsons' findings on forecast operating expenditure

In reviewing forecast operating expenditure, WorleyParsons used SCA's current expenditure levels as the starting point, then tried to identify exactly where cost savings could be achieved to realise SCA's proposed efficiency saving of 3.6 per cent.<sup>84</sup> WorleyParsons noted that:

SCA has not determined its forecast operating expenditure by reviewing line items or specific cost categories and then summing to calculate a total expenditure figure. It is presently establishing plans to enable it to achieve the forecast efficiency target.<sup>85</sup>

WorleyParsons was largely able to reconcile SCA's forecast operating expenditure with identified sources of efficiency savings. It identified likely cost reductions associated with labour, bulk water purchases, management of the Special Areas by the Department and Environment and Climate Change (DECC) and flow related licence fees. The only difference between WorleyParsons' recommended level of forecast operating expenditure and SCA's forecasts is \$0.5 million in 2009/10 (Table 5.3). This difference reflects WorleyParsons' view that not all of SCA's forecast labour cost reductions will be achieved in 2009/10, due to the time taken to implement these cost saving measures.<sup>86</sup>

**Table 5.3 SCA's forecast operating expenditure compared to WorleyParsons' findings on efficient forecast operating expenditure (\$ million, real 2008/09)**

	2009/10 <sup>a</sup>	2010/11	2011/12	Total
SCA forecast	97.3	80.0	80.0	257.3
WorleyParsons efficient forecast	97.8	80.0	80.0	257.8

<sup>a</sup> Includes SCA's (\$17.3 million) contribution to the Accelerated Sewerage Program (ASP).

**Source:** SCA submission, September 2008, p 7; and WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 7.

### 5.4 Stakeholder comments

Several stakeholders commented on SCA's forecast operating expenditure. The Total Environment Centre (TEC) urged IPART to ensure that SCA is provided with sufficient revenue to enable it to properly fulfil its catchment protection functions. It stressed that SCA's proposed efficiencies in its catchment program should not diminish the quality of catchment management and water quality protection. TEC also submitted that catchment protection should include measures to prevent long-

<sup>84</sup> This saving of 3.6 per cent is relative to 2008/09 expenditure levels excluding Shoalhaven pumping costs (ie, a 3.6 per cent saving relative to 2008/09 operating expenditure of \$83 million).

<sup>85</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 5.

<sup>86</sup> *Ibid*, pp 40-47.

wall mining from occurring in areas where water quality and quantity may be affected.<sup>87</sup>

The NSW Department of Environment and Climate Change (DECC) noted that while it is currently in discussions with SCA about the possibility of reviewing the SASPoM Service Contract:

...these discussions are in the initial stages and are not yet sufficiently progressed to confirm any cost-savings for the coming price period.<sup>88</sup>

### 5.5 IPART's analysis

In relation to the forecast operating costs for SCA's contribution to the ASP, IPART notes that the Minister's section 16A direction that IPART include these costs in the 2009 determination means that it is limited to assessing whether SCA has complied with the Minister's direction in the most cost-effective way possible. Therefore, in line with the Minister's direction, IPART has included the full \$17.7 million (\$2009/10) SCA was directed to contribute to the ASP in its calculation of SCA's notional revenue requirement for 2009/10 for the purpose of setting prices. (The impacts of this on customer prices are discussed in Chapter 9.)

In relation to the rest of SCA's forecast operating costs, IPART is conscious of the need to ensure that any efficiency savings do not come at the expense of service quality (in terms of catchment management, water quality and reliability and security of supply). However, it notes that SCA's submission and statements at the public hearing identify a number of initiatives that are aimed at maintaining and even enhancing its water supply and catchment management performance, at potentially lower cost.

WorleyParsons' review has essentially validated SCA's forecast operating expenditure, aside from the small difference between SCA's forecast expenditure in 2009/10 and WorleyParsons calculated figure for that year. Furthermore, IPART considers that an operating efficiency savings target of about 3.6 per cent<sup>89</sup> is reasonable, regardless of whether or not SCA is in a position to quantify specific sources of efficiency gains at this stage. Therefore, IPART has accepted SCA's forecast operating expenditure for the determination.

<sup>87</sup> Total Environment Centre submission, October 2008, pp 1-2.

<sup>88</sup> DECC submission, October 2008, p 1.

<sup>89</sup> This saving of 3.6 per cent is relative to 2008/09 expenditure levels excluding Shoalhaven pumping costs (ie, a 3.6 per cent saving relative to 2008/09 operating expenditure of \$83 million).

## 6 Revenue required for capital investment

As Chapter 4 discussed, the revenue required for capital investment comprises two cost blocks: an allowance for a return on capital, and an allowance for a return of capital (or regulatory depreciation). Together, these allowances make up around 55 per cent of SCA's total notional revenue requirement over the 2009 determination period, and so have a significant impact on prices. IPART determined a value for each of these allowances by taking four steps:

- ▼ assessing SCA's past capital expenditure over the 2005 determination period to decide whether it was prudent and should therefore be incorporated into the opening value of SCA's Regulatory Asset Base (RAB), and assessing SCA's forecast capital expenditure to determine whether it is efficient and should therefore be included when rolling forward the RAB
- ▼ calculating the annual value for the RAB over the determination period, taking into account its decisions on past and forecast capital expenditure and making other adjustments as necessary
- ▼ calculating the allowance for a return on assets by deciding on an appropriate rate of return for SCA, and multiplying the annual value of the RAB by this rate
- ▼ calculating the allowance for depreciation by deciding on an appropriate depreciation method and asset lives for SCA's existing and new assets.

The sections below discuss each of the above steps, and outline and explain IPART's decisions on key inputs used to calculate the allowances for a return on capital and regulatory depreciation.

### 6.1 Assessing SCA's past and forecast capital expenditure

Decision

- 8 IPART's decisions are that past capital expenditure shown in Table 6.1 was prudent, and that the forecast capital expenditure shown in Table 6.2 is efficient.

**Table 6.1 Decision on past capital expenditure that was prudent (\$ million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09	Total
SCA actual <sup>a</sup>	151.8	91.3	70.6	92.0	405.7
WorleyParsons recommended <sup>b</sup>	150.0	87.5	67.2	92.0	396.7
IPART decision	150.0	87.5	67.2	92.0	396.7

<sup>a</sup> Source: SCA's 2008 Information Return to IPART, increased by approximately \$6.5 million (\$2008/09) to correct errors identified by SCA's financial audit (see p 71 of WorleyParson's report), and indexed to \$2008/09.

<sup>b</sup> Source: WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 9, indexed to \$2008/09.

**Table 6.2 Decision on forecast capital expenditure that is efficient (\$million, real 2008/09)**

	2009/10	2010/11	2011/12	Total <sup>c</sup>
SCA forecast <sup>a</sup>	61.8	34.1	32.5	128.5
WorleyParsons recommended <sup>b</sup>	61.6	33.4	31.8	126.8
IPART decision	61.6	33.4	31.8	126.8

<sup>a</sup> Source: SCA submission, September 2008, p 28; and SCA 2008 Information Return to IPART.

<sup>b</sup> Source: WorleyParsons' *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 10, converted to \$2008/09.

<sup>c</sup> Totals may not add due to rounding.

### 6.1.1 Past capital expenditure, 2005/06 to 2008/09

#### SCA's submission on past capital expenditure

Table 6.3 compares SCA's actual capital expenditure over the 2005 determination period with the capital expenditure IPART allowed for in making the 2005 determination. It shows that SCA's actual expenditure level over the current determination period was substantially less than allowed for in the determination.

**Table 6.3 SCA's actual capital expenditure compared to the expenditure allowed for in the 2005 determination (\$ million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09	Total
2005 determination <sup>a</sup>	207.3	133.7	157.3	120.1	618.5
SCA actual expenditure <sup>b</sup>	151.8	91.3	70.6	92.0	405.7
Variation to 2005 determination	55.6	42.4	86.7	28.1	212.7
Variation to 2005 determination %	-26.8%	-31.7%	-55.1%	-23.4%	-34.4%

<sup>a</sup> Source: SCA submission, September 2008, p 20, indexed to \$2008/09.

<sup>b</sup> Source: SCA's 2008 Information Return to IPART, increased by approximately \$6.5 million (\$2008/09) to correct errors identified by SCA's financial audit (see p 71 of WorleyParson's report), and indexed to \$2008/09.

## 6 Revenue required for capital investment

SCA submitted that the primary reason for this large 'underspend' was the NSW Government's decision to not proceed with raising the Tallowa Dam wall as part of the Shoalhaven Transfers Scheme. This scheme was planned and approved at the time of the 2005 price review, and costs associated with it comprised around 47 per cent of SCA's forecast capital expenditure for the 2005 determination period.<sup>90</sup> However, the NSW Government subsequently decided not to raise Tallowa Dam and the scheme did not proceed as originally planned.

When the costs associated with the Shoalhaven Transfers Scheme are excluded, SCA's actual capital expenditure over the determination period was around 28 per cent higher than allowed for in the 2005 determination. This is shown in Table 6.4 below.

**Table 6.4 SCA's actual capital expenditure compared to that allowed for in the 2005 determination – excluding the impact of the Shoalhaven Transfers Scheme (\$ million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09	Total <sup>c</sup>
2005 determination <sup>a</sup>	196.4	80.4	22.3	19.1	318.3
SCA actual expenditure <sup>b</sup>	151.8	91.3	70.6	92.0	405.7
Variation to 2005 determination	-44.7	10.9	48.3	72.9	87.5
Variation to 2005 determination %	-22.7%	13.6%	216.3%	381.8%	27.5%

<sup>a</sup> Source: Worley Parsons, *Review of Capital and Operating Expenditure - Sydney Catchment Authority (2009 Determination)*, January 2009, p 8, indexed to \$2008/09.

<sup>b</sup> Source: SCA's 2008 Information Return to IPART, increased by approximately \$6.5 million (\$2008/09) to correct errors identified by SCA's financial audit (see p 71 of WorleyParson's report), and indexed to \$2008/09.

<sup>c</sup> Totals may not add due to rounding.

SCA submitted that it delivered the following significant projects that were forecast at the 2005 price review over the determination period:

- ▼ deep storage pumping capacity at both Warragamba and Nepean Dams
- ▼ upgrades to Warragamba Dam's electrical systems
- ▼ a raw water pumping station at Prospect Reservoir
- ▼ significant upgrades to Warragamba precinct, operations and visitor buildings (scheduled to be completed in 2008/09).<sup>91</sup>

It also delivered the following programs that were not forecast at the 2005 review:

- ▼ development of the potential for extraction of groundwater at Leonay, Wallacia and Kangaloon
- ▼ investigation, design and commencement of construction of a fish way passage and delivery structures for environmental flows at Tallowa Dam

<sup>90</sup> SCA submission, September 2008, p 20.

<sup>91</sup> Ibid, p 21.

- ▼ upgrades to the SCADA (supervisory control and data acquisition) system in the Shoalhaven to improve the management of water delivery.<sup>92</sup>

#### WorleyParsons' review of the prudence of SCA's past capital expenditure

In assessing the prudence of SCA's capital expenditure over the 2005 determination period, WorleyParsons:

- ▼ reviewed differences between SCA's actual capital expenditure and the level of expenditure IPART allowed for in making the 2005 determination
- ▼ conducted detailed analysis of a sample of capital expenditure projects (including assessing SCA's performance against its output measures for the 2005 determination period)<sup>93</sup>
- ▼ reviewed SCA's processes for the identification, selection and development of capital projects.

Excluding the expenditure allowed for the Shoalhaven Transfers Scheme, WorleyParsons found that SCA's actual expenditure over the 2005 determination period was \$89.3 million<sup>94</sup> greater than allowed for in the 2005 determination. WorleyParsons identified that \$66.9 million of this \$89.3 million was invested in the following projects:

- ▼ investigations and development of the potential for extraction of groundwater at Wallacia, Leonay and Kangaloon (\$28.3 million) – this project was initiated by Government under the Metropolitan Water Plan
- ▼ investigations, design and commencement of construction of a fish way passage and delivery structures for environmental flows at Tallowa Dam (\$26.5 million) – this project was also initiated by Government under the Metropolitan Water Plan
- ▼ upgrading the SCADA (supervisory control and data acquisition) system into the Shoalhaven to improve the management of water delivery (\$1.7 million) – WorleyParsons considers this project critical to the effective operation of SCA's assets

<sup>92</sup> Ibid.

<sup>93</sup> This step involved carrying out analysis of 17 capital expenditure projects, selected at random but each having more than \$1 million in cost in the 2005/06 to 2012/13 period and together making up more than 10% of the total number of projects and 10% of the total capital program value over this period. WorleyParsons' assessment of the drivers, justification and efficiency of these sampled projects (with a combined budget of approximately \$350 million) is listed in Appendix 2 of its report.

<sup>94</sup> Nominal \$.

## 6 Revenue required for capital investment

- ▼ investigations and development of options for the Shoalhaven Transfers Scheme (\$10.4 million).<sup>95</sup>

With the exception of a portion of groundwater expenditure (discussed below), WorleyParsons found that this expenditure was prudent, as it was incurred in response to Government direction and/or is considered critical to the effective operation of SCA's supply system.

WorleyParsons also found that the remaining \$22.5 million of the \$89.3 million is likely to be efficient and prudent, given its detailed review of a sample of capital expenditure projects and its finding that SCA's processes and performance in project identification, selection and development are generally of a high quality.<sup>96</sup>

The only item of SCA's capital expenditure that WorleyParsons did not find to be prudent was \$8.5 million<sup>97</sup> of groundwater expenditure. This finding is based on the NSW Audit Office's direction to SCA that it must write off this expenditure as it failed to deliver an asset. Of all of SCA's groundwater expenditure over the current determination period (\$28.3 million<sup>98</sup>), the Audit Office allowed SCA to capitalise only its expenditure on the Kangaloon groundwater project (\$19.8 million<sup>99</sup>). This is because Kangaloon is the only site to be taken to the 'readiness' stage – meaning that it is probable that future economic benefits would flow to SCA from this site.<sup>100</sup> In contrast, following the NSW Government's 2008 decision to halt construction of SCA's groundwater borefields<sup>101</sup>, it is uncertain whether the SCA will yield any future economic benefits from its other groundwater sites. In regard to the groundwater project at Kangaloon, a NSW Government press release notes that:

Development of Kangaloon will be halted at the point where land acquisitions, planning approval and tender design are complete, to enable reactivation without delay in future emergencies.<sup>102</sup>

WorleyParsons' finding on SCA's prudent expenditure over 2005/06 to 2008/09 is shown in Table 6.5 below.

<sup>95</sup> While this \$10.4 million is classed as capital expenditure, WorleyParsons (p 35) reports that a further \$4.5 million of costs associated with raising the Tallowa Dam wall (as part of the original Shoalhaven Transfers Scheme) have been 'expensed' to operating expenditure. As noted in this chapter and in section 2.3.3, since the 2004 Metropolitan Water Plan, the NSW Government has decided to not proceed with raising the dam wall at Tallowa. Instead, it is looking at alternative operational arrangements for the Shoalhaven Transfer Scheme and investigating pipeline and tunnel options should it proceed with transfers of more water from Tallowa Dam to Sydney.

<sup>96</sup> See: WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 54.

<sup>97</sup> \$8.5 million in nominal \$, which equates to \$9 million in \$2008/09.

<sup>98</sup> Nominal \$.

<sup>99</sup> Nominal \$.

<sup>100</sup> The Kangaloon site will be taken to the stage where it gains planning approval and can be activated to supply water at relatively short notice. This enhances SCA's security of supply and its yield.

<sup>101</sup> Rees, N (Minister for Water), *News Release - Groundwater Borefields off the Agenda*, 18 June 2008.

<sup>102</sup> Ibid.



**Table 6.5 WorleyParsons' findings on SCA's prudent capital expenditure (\$ million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09 <sup>b</sup>	Total
SCA's actual expenditure <sup>a</sup>	151.8	91.3	70.6	92.0	405.7
Groundwater project write down <sup>b</sup>	1.8	3.8	3.4	0.0	9.0
WorleyParsons' finding on prudent expenditure <sup>c</sup>	150.0	87.5	67.2	92.0	396.7

<sup>a</sup> Source: SCA's 2008 Information Return to IPART, increased by approximately \$6.5 million (\$2008/09) to correct errors identified by SCA's financial audit (see p 71 of WorleyParson's report), and indexed to \$2008/09.

<sup>b</sup> Source: WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 9, indexed to \$2008/09.

<sup>c</sup> May not add due to rounding.

In relation to SCA's performance against its output measures for the 2005 determination period, WorleyParsons found that:

...overall, SCA has been effective in delivering against the nominated output measures. The Prospect WPS was delivered behind schedule and over budget, however it is considered by WorleyParsons to be a technically challenging project and has been assessed as being very well managed.<sup>103</sup>

WorleyParsons' assessment of SCA's performance against its output measures is summarised in Table 6.6 below.

<sup>103</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, pp 63-64.

6 Revenue required for capital investment

**Table 6.6 WorleyParsons' assessment of SCA's performance against output measures**

<b>IPART output measure</b>	<b>Planning</b>	<b>Deliverables</b>	<b>Managing scope change / implementation</b>
Substantial completion of the Deep Storage Scheme and provision of additional 30GL pa yield by July 2006	Efficient	Within budget, two months late, functionality met.	One scope change. Scope efficiently managed.
Substantial completion of the Prospect Water Pumping Station (WPS) and associated Dam remedial works by March 2007	WPS component – efficient. Dam remedial works – not assessed as in future program.	WPS component: Budget within approved SCA budget, 3 months late, functionality met. Dam remedial works: Construction not commenced (April 2013 completion).	WPS component: One cost variation, efficiency managed. Dam remedial works: Estimated cost exceeds initial budget approval.
Substantial completion of the Warragamba Spillway and associated works by June 2007	Efficient	In progress, to be delivered by June 2011.	One cost variation to date (\$9M). Project scope efficiently managed to date.
Completion of phase 1 of the Shoalhaven Scheme and provision of an additional 50GL pa yield by July 2010	Project discontinued after Government decided not to raise Tallowa Dam.	Not assessed.	Not assessed.
Completion of works to allow the release of environmental flows into the Upper Nepean River by July 2010	Efficient	Forecast to be completed within budget, by April 2009.	Project management efficient to date. No scope of works change or price variations to date.

**Source:** WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, January 2009, p 63.

#### IPART's analysis of SCA's past capital expenditure

After considering SCA's submission, stakeholder comments and its consultant's report, IPART has accepted WorleyParsons' finding on the prudence of SCA's capital expenditure over 2005/06 to 2008/09, for the purposes of calculating the opening value of the RAB and calculating SCA's prices for the determination.

### 6.1.2 Forecast capital expenditure, 2009/10 to 2011/12

#### SCA's submission on forecast capital expenditure

SCA's forecast capital expenditure for the 2009 determination period is shown in Table 6.7 below.

**Table 6.7 SCA's forecast capital expenditure (\$million, real 2008/09)**

	2009/10	2010/11	2011/12	Total
SCA forecast expenditure	61.8	34.1	32.5	128.5 <sup>a</sup>

<sup>a</sup> Total may not add due to rounding.

Source: SCA submission, September 2008, p 28.

SCA submitted that its forecast capital expenditure is driven by the need to:

- ▼ Comply with the NSW Government's Metropolitan Water Plan – including upgrading of the Upper Nepean Dams to provide environmental flows.
- ▼ Comply with the requirements of the NSW Dams Safety Committee – including upgrading the crest gates at Warragamba Dam and upgrading Wingecarribee Dam for "probable maximum flood" criteria.
- ▼ Meet OH&S requirements – including a number of projects to upgrade ageing electrical, civil and mechanical systems to provide improved protection to SCA's workforce and the general public (including electrical wiring, fencing, access arrangements, roads and security).
- ▼ Renew/refurbish aging infrastructure assets – including roads and bridges.
- ▼ Refurbish the Upper Nepean transfer system<sup>104</sup> – SCA is reviewing the most appropriate way to augment and maintain this system. It has undertaken early investigations to identify feasible engineering options and broad design parameters, including staging and order of cost estimates. Expenditure has been flagged from 2008/09 to 2010/11 to undertake more detailed investigations, costing and preliminary designs, leading to a business case decision regarding replacement.<sup>105</sup>

<sup>104</sup> According to SCA (p 29 of its September 2008 submission), "The Upper Canal, which currently transfers approximately 20 per cent of Sydney's water, consists of a series of tunnels, open canals and aqueducts [approximately 64 km] built over 100 years ago. The canal design and age introduces risks to water quality and limits the volume of water that can be transferred. In order to ensure both reliability and quality of water supplied, the SCA will need to undertake major refurbishment works or replace the canal structure. Replacement options can be staged, with the final stage including removal of run of river transfers that are currently an integral part of the transfer of water from the Upper Nepean dams to Sydney." That is, SCA propose to construct infrastructure that *both* replaces the Upper Canal and increases Sydney's water supply from the Shoalhaven River.

<sup>105</sup> SCA's December 2008 submission notes that major expenditure on the Upper Canal that was previously planned for 2012/13 (in SCA's September 2008 submission) has been deferred to 2015/16 and beyond.

## 6 Revenue required for capital investment

- ▼ Replace support assets – according to SCA, it has a range of support assets such as motor vehicles, IT equipment and office equipment that need regular renewal.<sup>106</sup>

SCA submitted that it has minimised its capital expenditure program over the 2009 determination period by, where possible, deferring major capital expenditure to beyond the next determination period.

### Stakeholder submissions

TEC supported SCA's proposed capital expenditure on upgrading of the Upper Nepean Dams to provide environmental flows.<sup>107</sup> It also urged IPART to ensure that the SCA's expenditure on the Upper Nepean Transfer System (including the Upper Canal) includes expenditure to protect this asset from further long-wall mining damage. It noted that expenditure on refurbishment or replacement of the transfer system should seek to minimise transmission losses.<sup>108</sup>

Wingecarribee Shire Council noted that SCA is jointly funding network flow gauging and performance assessment studies for the five sewerage schemes in the Shire. These studies will identify the potential for overflows from the sewerage system and propose a capital works program to control, minimise or eliminate overflows. Wingecarribee Shire Council argued it is essential that SCA include a funding commitment in its expenditure forecasts towards physical works identified in these studies.<sup>109</sup>

### WorleyParsons' review of the efficiency of SCA's forecast capital expenditure

To assess the efficiency of SCA's forecast capital expenditure, WorleyParsons:

- ▼ conducted detailed analysis of a sample of SCA's capital projects (as noted above)
- ▼ reviewed the forward program expenditure profile and any changes in SCA's operational drivers over time
- ▼ reviewed the drivers and nature of the projects making up the forward capital program
- ▼ considered potential efficiencies in the delivery of the forecast capital program.

As shown in Table 6.8 below, WorleyParsons found that most of SCA's proposed capital expenditure over 2009/10 to 2011/12 of \$128.5 million is efficient. It identified efficiency savings of approximately \$1.7 million (or about 1.4 per cent), which it considered can be achieved by bundling like projects to take advantage of economies of scale and reduced management costs. For example, WorleyParsons

<sup>106</sup> SCA submission, September 2008, pp 27-28.

<sup>107</sup> Total Environment Centre submission, October 2008, p 1.

<sup>108</sup> Ibid.

<sup>109</sup> Wingecarribee Shire Council submission, October 2008, p 8.

noted that efficiencies gained by grouping small IT projects together “would be likely in the order of 10% and may extend to 20%.”<sup>110</sup>

**Table 6.8 WorleyParsons’ findings on SCA’s forecast capital expenditure that is efficient (\$million, real 2008/09)**

	2009/10	2010/11	2011/12	Total <sup>a</sup>
SCA’s forecast expenditure	61.8	34.1	32.5	128.5
WorleyParsons’ findings on efficient expenditure	61.6	33.4	31.8	126.8

<sup>a</sup> Totals may not add due to rounding.

**Source:** SCA submission, p 28; and WorleyParsons’ *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, p 10, converted to \$2008/09.

WorleyParsons’ findings reflect its positive assessment of SCA’s asset management and project evaluation and management processes. For example, it noted that:

SCA’s capital project management processes include business case development steps. WorleyParsons has reviewed the business cases for a number of future projects, and on the basis of the SCA capital project management process and evidence of SCA following this process, WorleyParsons has confidence that SCA is developing business cases for its projects which ensure that they are efficient projects.<sup>111</sup>

#### IPART’s analysis

IPART has accepted WorleyParsons’ finding on the efficiency of SCA’s capital expenditure over 2009/10 to 2011/12.

## 6.2 Calculating the annual value of the RAB over the determination period

To determine both the allowance for a return on assets and the allowance for regulatory depreciation, IPART must calculate the value of SCA’s RAB in each year of the determination period. It established the methodologies for calculating the value of the RAB at the start of the determination period (the opening value of the RAB), and for rolling forward the RAB to the end of the determination period. Then it applied these methodologies.

<sup>110</sup> WorleyParsons, *Review of Capital and Operating Expenditure – Sydney Catchment Authority (2009 Determination)*, 15 January 2009, pp 75-77.

<sup>111</sup> *Ibid*, p 76.

## 6 Revenue required for capital investment

**6.2.1 Methodologies for establishing opening value of the RAB and rolling forward the RAB**

To establish the opening value of SCA's RAB (ie, as at 1 June 2009), IPART:

- ▼ Rolled forward the 1 July 2005 RAB to 30 June 2009 by including the actual capital expenditure over this period that it found to be prudent<sup>112</sup> (as discussed in section 6.1 above).
- ▼ Made other necessary adjustments, including
  - deducting any actual capital contributions from the RAB
  - deducting regulatory depreciation as allowed for in the 2005 determination<sup>113</sup>
  - deducting actual asset disposals for 2005/06 to 2007/08 and estimated disposals for 2008/09.
- ▼ Indexed the annual closing RAB for actual/forecast inflation. In making this calculation, IPART assumed that half the capital expenditure and disposals occurred at the beginning of the year (and therefore receive a full year of indexation), while the other half occurred at the end of the period (and therefore is not indexed).

To roll forward the RAB to the end of the 2009 determination period (ie, 30 June 2012), IPART:

- ▼ Added the forecast capital expenditure it found to be efficient (as discussed in section 6.1 above) to the closing value of the RAB for the previous year.
- ▼ Made other necessary adjustments to the value of the RAB for each year, including
  - deducting any forecast capital contributions
  - deducting regulatory depreciation
  - deducting forecast disposals of assets.
- ▼ Indexed for forecast inflation.<sup>114</sup>

Both methodologies are the same as those IPART used in making the 2005 determination.

<sup>112</sup> Given that actual expenditure for 2008/09 is not fully known at the time of the Determination, IPART has used the estimated expenditure for this year. This estimate has been assessed by IPART as part of the review and adjusted where appropriate. At the next review, the RAB will be adjusted to reflect the difference between this estimate and actual expenditure for 2008/09.

<sup>113</sup> Regulatory depreciation refers to the depreciation amounts allowed for in the 2005 Determination. IPART uses regulatory depreciation, rather than actual depreciation, because the impact of any over/under-expenditure of capital expenditure during the determination period is limited to the return it earns on its expenditure. This provides agencies with an incentive not to overestimate their forecast expenditure at price reviews.

<sup>114</sup> Similar to the approach of establishing the opening RAB, IPART assumes that half the capital expenditure and disposals occur at the beginning of the year (receiving a full year of indexation), with the remainder occurring at the end of the year.

### 6.2.2 Applying these methodologies

To apply these methodologies, IPART rolled forward the opening value of SCA's RAB at the 2005 determination to reflect its findings on prudent actual capital expenditure over the 2005 determination period and efficient forecast capital expenditure for 2009/10 to 2011/12. As noted above, these expenditures are discussed in section 6.1. The sections below discuss the other adjustments IPART made to the value of the RAB, including adjustments to account for past and forecast capital contributions, past and forecast disposal of assets and regulatory depreciation.

#### Adjustments for capital contributions

For water utilities, 'capital contributions' generally refer to revenue received from developer charges or government grants. However, SCA does not receive revenue from developer charges, and its Information Returns to IPART indicated that it did not receive any capital contributions from government or other sources over the 2005 determination period, and does not forecast receipt of any such contributions over the 2009 determination period. Therefore, IPART did not make any adjustment to the RAB account for capital contributions.

#### Adjustments for disposal of assets

Table 6.9 shows the value of the assets SCA reported disposing of over the 2005 determination period, and expects to dispose of over the 2009 period. IPART has deducted these values from the value of RAB accordingly.

**Table 6.9 SCA's past and forecast assets disposals (\$million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Asset disposals	0.0	5.2	11.6	0.0	0.0	0.0	0.0

**Source:** SCA 2008 Information Returns to IPART, indexed to \$2008/09.

#### Adjustments for regulatory depreciation

The RAB is adjusted each year to account for regulatory depreciation. To determine the opening value of SCA's RAB at 1 July 2009, IPART deducted the allowance for regulatory depreciation it included in making the 2005 determination. To calculate future regulatory depreciation to be deducted from the RAB (to roll forward the RAB to the end of the 2009 determination period) IPART has used the straight-line depreciation method. The amounts deducted are shown in Table 6.10 below.

As discussed in Chapter 4, an allowance for depreciation (return of assets) is made within the revenue required for capital investment. IPART's considerations in calculating this allowance for the 2009 determination period are discussed in section 6.4 below.

6 Revenue required for capital investment

**Table 6.10 SCA's regulatory depreciation deducted from the RAB  
(\$million, real 2008/09)**

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Regulatory depreciation	-15.1	-16.9	-18.4	-19.8	-22.1	-22.9	-23.5

### 6.2.3 Resulting annual values for the RAB

Table 6.11 shows IPART's calculated annual values of SCA's RAB over the 2009 determination period after adding the past and forecast capital expenditure discussed in section 6.1, making the adjustments discussed in section 6.2.2, and indexing the closing RAB for forecast inflation.

**Table 6.11 SCA's RAB (\$million, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
SCA RAB	1,297	1,337	1,348	1,357

## 6.3 Calculating the allowance for a return on assets

Once it calculated the value of SCA's RAB over the determination period, IPART decided on an appropriate rate of return for SCA. It then multiplied the rate of return by the value of the RAB in each year of the determination period to calculate the allowance for a return on assets.

There are several approaches for deciding on an appropriate rate of return. As for previous reviews, IPART used the weighted average cost of capital (WACC) approach. It developed a range for a benchmark water utility's real pre-tax WACC, then made a judgement on the most appropriate rate of return for SCA within this range.

In exercising its judgement, IPART considered SCA's proposed rate of return and its own analysis of the implications of its chosen rate return for customers, SCA's financial viability and economic efficiency.

### 6.3.1 SCA's submissions

SCA's September 2008 submission proposed a real pre-tax WACC at least equal to that determined for Sydney Water, with market-based parameters updated at the time of the final decision. IPART determined a real pre-tax WACC of 7.5 per cent for Sydney Water in its 2008 price determination.



SCA's April 2009 submission to the draft determination provided detailed comments on IPART's draft decision on the rate of return.<sup>115</sup> In particular, this submission commented on IPART's approach to:

- ▼ estimating the WACC point estimate and the resulting value of the WACC
- ▼ estimating the debt margin and the resulting range of values of the debt margin.

SCA's positions in these submissions are considered further in Appendix E.

### 6.3.2 IPART's analysis and decision

#### Decision

- 9 IPART's decision is that for the purposes of calculating the allowance for a return on assets, a real pre-tax WACC of 6.5 per cent will be applied to the RAB.

IPART's decision on the rate of return reflects its view that an appropriate WACC for SCA is in the range of 5.7 per cent to 7.5 per cent, and it has selected the midpoint of this range.<sup>116</sup> Under IPART's approach of equating the present value of SCA's expected revenue from tariffs with the present value of its notional revenue requirement over the determination period, this translates into an overall rate of return over the determination period of 6.5 per cent. Table 6.12 shows that IPART's pricing approach will enable SCA to earn a rate of return of 7.0 per cent by 2011/12, to offset its lower rate of return of 5.9 per cent at the start of the determination period.

**Table 6.12 Decision on allowance for a return on assets (\$million, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Return on capital	76.3	82.7	84.3	84.9
Rate of return from charges	6.3%	5.9%	6.7%	7.0%

In making its decision on an appropriate rate of return for SCA, IPART considered the views of SCA, current regulatory and financial practice, its previous decisions, section 15 of the IPART Act and its own analysis. IPART also investigated the implications of its chosen rate of return on water customer bills, SCA's financial viability (estimated by changes in key financial ratios) and economic efficiency. IPART considers that a WACC of 6.5 per cent achieves an appropriate balance between these interests.

IPART calculated a range for the WACC using the parameters shown in Table 6.13 below. These parameters were based on market conditions averaged for the 20 days to 27 March 2009, where relevant.

<sup>115</sup> SCA, submission, April 2009, pp 11-14.

<sup>116</sup> The midpoint is calculated on the basis of the midpoint of the range for each parameter. Because the formula is non-linear, the calculated midpoint is not necessarily the midpoint of the range of the WACC.

6 Revenue required for capital investment

**Table 6.13 Draft and final decision on the rate of return and the parameters IPART used to calculate the WACC**

WACC Parameters	Draft decision	Final decision
Nominal risk free rate <sup>a</sup>	4.2% <sup>a</sup>	4.3% <sup>b</sup>
Real risk free rate <sup>a</sup>	2.8% <sup>a</sup>	NA <sup>c</sup>
Inflation adjustment	1.3% <sup>a</sup>	2.5% <sup>b</sup>
Market risk premium	5.5% - 6.5%	5.5% - 6.5%
Debt margin <sup>a</sup>	1.2% - 3.6% <sup>a</sup>	2.8% - 3.5% <sup>b</sup>
Debt to total assets	60%	60%
Dividend imputation factor (gamma)	0.5 - 0.3	0.5 - 0.3
Tax rate	30%	30%
Equity beta	0.8 - 1.0	0.8 - 1.0
Cost of equity (nominal post-tax)	8.6% - 10.7%	8.7% - 10.8%
Cost of debt (nominal pre-tax)	5.4% - 7.7%	7.1% - 7.8%
WACC range (real pre-tax)	5.9% - 8.6%	5.7% - 7.5%
WACC (real pre-tax) point estimate	7.0%	6.5%

<sup>a</sup> Reflects market data averaged for the 20 days to 14 January 2009.

<sup>b</sup> Reflects market data averaged for the 20 days to 27 March 2009.

<sup>c</sup> The real risk free rate is not necessary in this calculation when using swap market data to derive the inflation adjustment.

A detailed discussion of IPART's considerations in relation to the appropriate rate of return is provided in Appendix E.

## 6.4 Calculating the allowance for regulatory depreciation

To calculate the allowance for regulatory depreciation, IPART decided on a depreciation method and asset lives for SCA's existing and new assets, then calculated depreciation accordingly.

### 6.4.1 Depreciation method

As for previous determinations, IPART chose to use the straight-line depreciation method. Under this method, the assets in the RAB are depreciated by an equal value in each year of their economic life, so that their real written-down value follows a straight line over time, from the initial value of the asset to zero at the end of the asset's life. IPART considers that this method is superior to alternatives in terms of simplicity, consistency and transparency.

### 6.4.2 Asset lives

For the 2005 determination, IPART used asset lives of 70 years for existing assets and 100 years for new assets in calculating the allowance for regulatory depreciation.<sup>117</sup> For the 2009 determination, it considered SCA's proposal and sought WorleyParsons' advice before making its decision.

#### SCA's proposal

SCA proposed using an average asset life of 60 years for both existing and new assets for the purposes of calculating the allowance for regulatory depreciation. It indicated that these asset lives are based on a review of its entire infrastructure assets, which it commissioned in 2007.<sup>118</sup>

Discussions with SCA – and WorleyParsons analysis (see below) – indicate that the lower asset life for new assets is due the nature of its forward capital program, which includes assets with shorter lives than in the previous determination.

#### WorleyParsons' advice

IPART asked WorleyParsons to review asset lives in the SCA's RAB and forward capital program. WorleyParsons reviewed the asset lives SCA proposed and compared them to asset lives applied by other Australian water agencies and the Australian Taxation Office. WorleyParsons concluded that:

- ▼ For existing assets, an asset life of 60 years is appropriate.
- ▼ For new assets, an asset life of 60 years can be justified. However, it considers it more appropriate to use an asset life of 50 years to calculate regulatory depreciation, based on its assessment of the type of assets that make up SCA's current forward capital program. For future price determinations, WorleyParsons recommended that the asset life of new assets be reviewed again, as the composition of the forward capital program may change over time.<sup>119</sup>

#### IPART's analysis and decision

##### Decision

- 10 IPART's decision is to calculate regulatory depreciation using asset lives of 60 years for both new and existing assets.

<sup>117</sup> IPART, *Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services, Final Determination and Report*, June 2005, p 77.

<sup>118</sup> SCA submission, September 2008, 35.

<sup>119</sup> WorleyParsons, *Review of Asset Life Determination – Sydney Catchment Authority (2009 Determination)*, January 2009, p 19.

## 6 Revenue required for capital investment

IPART accepted SCA's proposal to calculate depreciation using asset lives of 60 years for both existing and new assets, given WorleyParsons' finding that these lives for existing and new assets were appropriate or could be justified.

In line with this decision and the straight-line depreciation method, SCA's existing and new assets were depreciated at a rate of approximately 1.67 per cent over the 2009 determination period. This means that, in general terms, IPART calculated the allowance for regulatory depreciation by multiplying the annual value of the RAB over the determination period by 1.67 per cent. This resulted in the annual allowances shown in Table 6.14 below.

**Table 6.14 SCA allowance for depreciation (\$million, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Allowance for regulatory depreciation	18.9	21.2	22.0	22.5

## 7 | SCA's forecast water sales

Once IPART has decided on the revenue requirement for SCA, it sets SCA's prices taking into account this revenue requirement and forecast water sales and customer numbers.

Given SCA's role as primarily a water 'wholesaler' to Sydney Water and several Local Councils, forecasting its customer numbers is relatively straightforward. However, forecasting its water sales can be more difficult and requires significant analysis. This is due to the range of factors that can influence water demand and the unpredictability or volatility of some of these factors (eg, weather conditions).<sup>120</sup>

If IPART's decision on forecast water sales is not reasonable, there is a risk that the prices it sets will lead to SCA significantly over or under recovering its required revenue, particularly as a large proportion of SCA's costs are fixed. If the volumetric prices are based on forecasts that turn out to be less than SCA's actual water sales, SCA will generate more than its revenue requirement. Conversely, if these prices are based on forecasts that turn out to be more than SCA's actual water sales, SCA will not generate sufficient revenue to cover its revenue requirement.

The section below summarises IPART's decisions on SCA's forecast water sales to Sydney Water, Local Councils and unfiltered and raw water customers. The following sections discuss these decisions in more detail.

### 7.1 Summary of IPART's decisions

#### Decision

- 11 IPART's decision is to use the forecast water sales listed in Table 7.1 below, for the purposes of calculating prices.

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<sup>120</sup> Factors that can influence demand for bulk water include population growth, the structure and level of retail water prices, demand management programs implemented by the NSW Government and Sydney Water, weather conditions, the impact of water restrictions, and supply augmentation projects both within and beyond SCA's operations, such as the operation of Sydney Water's desalination plant.

## 7 SCA's forecast water sales

**Table 7.1 Decision on SCA's forecast water sales for the 2009 determination period (ML)**

Customer	2009/10	2010/11	2011/12
Sydney Water	497,700	449,000	438,000
Wingecarribee Shire Council	4,100	4,100	4,100
Shoalhaven City Council	80	80	80
Goulburn Mulwaree Council	0	42	577
Unfiltered water customers	185	185	185
Raw water customers	15	15	15
Total water sales	502,080	453,422	442,957

**7.2 Forecast sales to Sydney Water**

Table 7.2 compares SCA's actual sales to Sydney Water over the 2005 determination period to the forecast sales IPART used in making the 2005 determination. This shows that total SCA sales to Sydney Water over 2005/06 to 2008/09 have been about 13 per cent lower than forecast by IPART in 2005. SCA attributes this to the imposition of water restrictions as a result of the drought.

SCA sought the implementation of a consumption adjustment mechanism in this determination, on the grounds that there is considerable potential for continuing revenue volatility associated with consumption. As Chapter 3 discussed, IPART's decision is not to include such a mechanism. This is because uncertainty about water availability due to drought has lessened and, while there may be some future uncertainty about water demand from Sydney Water until the operating rules for the desalination plant have been released by Government, supply from the plant is relatively certain for its two-year proving period (from January 2010 to January 2012)<sup>121</sup>, which comprises much of the 2009 determination period.

<sup>121</sup> In a letter dated 5 May 2009, Sydney Water has recently advised IPART that: "The desalination plant will operate at full capacity, or close to full capacity, for the first two years of operation, regardless of dam levels. This proving period is needed to assure the performance and reliability of the plant." In this letter, which is available with other submissions at IPART's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)), Sydney Water also provides estimated volumes of supply from its desalination plant over 2009/10 to 2011/12.

**Table 7.2 Comparison of SCA's actual sales to Sydney Water to IPART's decision on these sales in making the 2005 determination (GL)**

	2005/06	2006/07	2007/08	2008/09
IPART's decision: forecast water sales	557	567	587	578
SCA's actual sales to Sydney Water	522	503	475	486 <sup>a</sup>
% variation with IPART's decision	-6	-11	-19	-16
IPART's decision: cumulative forecast water sales	557	1,123	1,710	2,288
SCA's cumulative actual water sales	522	1,025	1,500	1,986
% variation with IPART's decision	-6	-9	-12	-13

<sup>a</sup> Latest 2008/09 estimate, sourced from SCA's April 2009 submission, p 15.

**Source:** SCA submission, September 2008, p 18.

Table 7.3 shows SCA's latest forecast water sales to Sydney Water over the 2009 determination period. These forecasts are based on Sydney Water's projections of its total demand for water, less its forecast supply from its desalination plant and its North Richmond supply facility.

**Table 7.3 SCA's forecasts sales to Sydney Water over the 2009 determination period (ML)**

	2009/10	2010/11	2011/12
Total Sydney Water supply <sup>a</sup>	529,900	531,200	530,200
Sydney Water desalination plant supply <sup>a</sup>	25,000	75,000	85,000
Sydney Water North Richmond supply <sup>a</sup>	7,200	7,200	7,200
Forecast SCA supply to Sydney Water	497,700	449,000	438,000

<sup>a</sup> These forecasts have been confirmed by Sydney Water in a letter to IPART dated 5 May 2009 (which is available on IPART's website with other submissions to this review).

**Source:** SCA submission, April 2009; and email from SCA, 20 April 2009.

Notably, Sydney Water's projections of its total water demand have been updated since SCA's September 2008 submission (which formed the basis of IPART's draft determination) and IPART's 2008 determination of Sydney Water's prices. According to Sydney Water, the main differences between its earlier and latest forecasts are that:

- ▼ the earlier forecast did not include any residual effect on water demand of the prolonged period of restrictions, whereas the latest forecast does, and
- ▼ the assumed savings from water conservation measures in the latest forecast are lower than the earlier forecast, reflecting the most recent information available on Sydney Water's water conservation program.<sup>122</sup>

Since the draft determination, Sydney Water's forecast supply from its desalination plant over the determination period has also been adjusted down slightly. These changes reflect the fact that while the plant is expected to operate at close to full

<sup>122</sup> Letter from Sydney Water to IPART, 5 May 2009, available at IPART's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)) with other submissions to this review.

## 7 SCA's forecast water sales

capacity during its initial two year proving period, there may be times when it is temporarily shut down or running at less than full capacity for operational reasons.<sup>123</sup>

SCA's latest forecast sales to Sydney Water compared to its original forecasts (and those used by IPART to set prices for the draft determination) are listed in Table 7.4. This shows that, over the determination period, the latest forecasts are 1.9 per cent lower than those submitted by SCA in its September 2008 submission.

**Table 7.4 SCA's forecasts sales to Sydney Water: SCA's original estimates compared to its most recent estimates (ML)**

	2009/10	2010/11	2011/12	Total
SCA submission April 2009	497,700	449,000	438,000	1,384,700
SCA submission September 2008 (as used in draft determination)	507,214	445,632	458,828	1,411,674
Difference	-9,514	3,368	-20,828	-26,974
Difference %	-1.9%	0.8%	-4.5%	-1.9%

### 7.3 SCA sales to Local Councils

Table 7.5 shows SCA's past and forecast sales to Wingecarribee and Shoalhaven Councils. It indicates that SCA expects a slight increase in average annual sales to these Councils over the 2009 determination period relative to the current determination period. Local Councils are forecast to account for about 0.8 per cent to 1.1 per cent of SCA's total sales over the determination period.

IPART notes that SCA has not provided forecast sales to Goulburn Mulwaree Council, even though there are plans to build a pipeline from SCA's Wingecarribee Reservoir to Goulburn to augment supply to the Goulburn community. SCA has indicated that the Wingecarribee to Goulburn pipeline will supply up to 1,800 ML of water per year and is due for completion in 2010/11.<sup>124</sup> However, in its submission to the draft report, Goulburn Mulwaree Council advises that the Wingecarribee to Goulburn pipeline is forecast to supply the Council an average of 505 ML per annum in 2010/11 and 577 ML in 2011/12. It also notes that the pipeline is not expected to be completed until May 2011, with 'normal operation' starting from June 2011.<sup>125</sup>

<sup>123</sup> Ibid.

<sup>124</sup> SCA submission, September 2008, p 43.

<sup>125</sup> Goulburn Mulwaree Council submission, April 2009, p 2; and email from Goulburn Mulwaree Council to IPART, 4 May 2009.



**Table 7.5 SCA's actual and forecast sales to Local Councils (ML)**

Final year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012
Wingecarribee actual	3,447	3,337	3,594	4,221	4,042	-	-	-	-
Wingecarribee forecast	-	-	-	-	-	4,100	4,100	4,100	4,100
Shoalhaven actual	80	74	78	77	76	-	-	-	-
Shoalhaven forecast	-	-	-	-	-	80	80	80	80

Source: SCA submission, September 2008, p 42; and SCA 2008 Information Returns to IPART.

#### 7.4 SCA sales to unfiltered and raw water customers

Table 7.6 shows SCA's actual and forecast sales to its raw and unfiltered water customers. These customers comprise approximately 0.04 per cent of SCA's total sales.

**Table 7.6 SCA's actual and forecast sales to other customers (ML)**

Final year ending	2005	2006	2007	2008	2009	2010	2011	2012
Raw water actual	26	4	23	9	-	-	-	-
Raw water forecast	-	-	-	-	15	15	15	15
Unfiltered water actual	265	274	245	-	-	-	-	-
Unfiltered water forecast	-	-	-	147	185	185	185	185

Source: SCA 2008 Information Returns to IPART.

As SCA levies a fixed service charge on its unfiltered water customers, forecast customer connection numbers are required to model prices and revenue. SCA's 2008 Information Return to IPART forecast that it would have 56 unfiltered water customers throughout the 2009 determination period, in line with expected customer numbers in 2008/09. However, SCA has since advised that it had 57 unfiltered water customers at the start of 2008/09 and that it now has 58 customers, with an average service charge of \$424 per customer.<sup>126</sup> SCA's current mix of unfiltered water customers is shown in Table 7.7 below.

<sup>126</sup> Email correspondence, SCA to IPART Secretariat, 22 January 2009.

## 7 SCA's forecast water sales

**Table 7.7 SCA's unfiltered water customers as at January 2009**

Meter size (mm)	Number of customers
20	29
25	5
30	0
32	2
40	3
50	6
80	2
100	1
150	0
200	1
300	1
No charge <sup>a</sup>	8
Total customers	58
Average revenue per customer	\$423.91

<sup>a</sup> No charge because pensioner or charity.

**Source:** Email from SCA to IPART, 22 January 2009.

## 7.5 IPART's analysis

SCA's forecast sales to Sydney Water are largely based on Sydney Water's own forecasts of its total demand, along with Sydney Water advice on the likely operating regime of the desalination plant over the 2009 determination period. For the 2008 Sydney Water determination, IPART accepted Sydney Water's forecast water sales. It did so after considering the advice of its consultant, McLennan Magasanik Associates (MMA).<sup>127</sup> Given this, the fact that Sydney Water's latest changes to these 2008 forecasts appear reasonable and Sydney Water's recent advice on the likely operating regime of the desalination plant over the determination period, IPART has accepted SCA's latest forecast water sales to Sydney Water.

IPART has also accepted SCA's forecast sales to Wingecarribee Shire Council, Shoalhaven City Council and its raw and unfiltered water customers. While SCA has not provided detailed rationale for these forecasts, they appear reasonable in light of historical consumption levels.

<sup>127</sup> MMA reviewed Sydney Water's forecasting methodology and its assumptions relating to the key drivers behind forecast water sales (eg, property numbers, water restrictions, demand management measures). MMA then recommended alternative forecast water sales based on its assessments. However, the difference between Sydney Water's and MMA's forecasts was not significant.

For modelling purposes, IPART has also assumed that SCA will have 58 unfiltered water customers over the 2009 determination period, with an average service charge of \$424 per customer. This is in line with recent information provided by SCA (see section 7.4).

In the absence of forecasts provided by SCA, IPART has assumed that SCA will supply Goulburn Mulwaree Council with 42 ML<sup>128</sup> of water in 2010/11 and 577 ML of water in 2011/12, in line with Goulburn Mulwaree Council's submission to the draft report (see section 7.3).

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<sup>128</sup> This figure is the 2010/11 per annum supply estimate of 505 ML divided by 12, given that Goulburn Mulwaree Council has advised that the Wingecarribee to Goulburn pipeline will only be ready to commence operation in the last month of the 2010/11 year.

## 8 Pricing decisions for SCA's water services

Using the decisions discussed above – including the decisions on aggregate pricing approach and forecast water sales – IPART has set prices for SCA's services over the 2009 determination period. The section below provides a summary of these pricing decisions. The following sections discuss the decisions on SCA's charges to Sydney Water, Local Councils and unfiltered and raw water customers in detail.

As noted in section 1.1, all figures (prices and costs) in this report are presented in 2008/09 dollars (unless stated otherwise), while prices in the determination (preceding this report) are in 2009/10 dollars.

### 8.1 Summary of pricing decisions

Decision

12 IPART's decision is that SCA can charge the maximum prices shown in Table 8.1 for its services over the 2009 determination period.

**Table 8.1 Decision on maximum prices SCA can charge for its services, 2009/10 to 2011/12 (\$, real 2008/09)**

SCA's charges	2008/09	2009/10	2010/11	2011/12
Volumetric price to Sydney Water (\$/ML)	222.17	240.61	250.57	260.92
Fixed charge to Sydney Water (\$M)	67.21	72.78	75.80	78.93
Volumetric price to Local Councils (\$/ML)	210.05	227.48	236.90	246.69
Volumetric price for unfiltered water (\$/kL)	0.84	0.91	0.95	0.99
Volumetric price for raw water (\$/kL)	0.49	0.53	0.55	0.58
Fixed charge to unfiltered water customers – for 20mm meters (\$)	75.00	81.23	84.59	88.08
Fixed charge to unfiltered water customers – for meter size above 20 mm (\$)	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400

As discussed in section 3.5, prices have been set so that, in present value terms, SCA's notional revenue requirement equals its expected revenue from tariffs over the determination period. Under IPART's pricing approach, prices to Sydney Water and Local Councils also increase by a higher percentage (approximately 8.3 per cent) in

2009/10 than in the remaining two years (about 4.1 per cent in each year) of the determination period.<sup>129</sup>

## 8.2 Pricing decisions for charges to Sydney Water

In the 2005 determination, IPART changed the balance between SCA's fixed (per month and per annum) charge and volumetric (per ML) charge to Sydney Water. It increased the relative size of the volumetric charge compared to the fixed charge, "so that approximately two-thirds of SCA's revenue will be obtained from volumetric charges by 2008/09."<sup>130</sup> IPART noted that this will help achieve the objective of setting charges with reference to SCA's Long Run Marginal Cost of supply (LRMC),<sup>131</sup> and "will send a pricing signal to Sydney Water that will help achieve the State Government's demand management objectives."<sup>132</sup>

Prior to the 2005 determination, IPART had set SCA's prices so that it earned approximately equal revenue from its fixed and volumetric charges to Sydney Water.

### 8.2.1 SCA's submissions

#### SCA's submission to the issues paper

SCA's proposed prices in its September 2008 submission are listed in Table 8.2. These prices would result in SCA generating approximately 80 per cent of its revenue from its fixed charge to Sydney Water, and only 20 per cent from its volumetric charge. This is a significant change from IPART's 2005 determination which, as discussed above, set prices so the volumetric charge generates around 65 per cent of revenue.

**Table 8.2 SCA's proposed prices for charges to Sydney Water (\$, real 2008/09)**

(\$2008/09)	2008/09	2009/10	2010/11	2011/12
Fixed price (\$M)	67.21	172.43	161.52	161.67
Volumetric price (\$/ML)	222.17	75.59	78.69	78.76

**Source:** SCA submission, September 2008, p 41; and SCA 2008 Information Returns.

<sup>129</sup> Volumetric prices for unfiltered and raw water listed in Table 8.1 do not increase by this exact amount, as they are rounded to the nearest cent (per kL).

<sup>130</sup> IPART, *Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services, Final Determination and Report*, September 2005, p 96.

<sup>131</sup> In general terms, SCA's LRMC is calculated as the present value of the cost of SCA's next supply augmentation measure divided by the present value of the amount of water supplied by the measure.

<sup>132</sup> IPART, *Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services, Final Determination and Report*, September 2005, p 135.

## 8 Pricing decisions for SCA's water services

SCA submitted that its proposed balance between the two charges would benefit SCA and Sydney Water, as the higher fixed charge would give them greater revenue/cost certainty. It also submitted the lower volumetric charge would send a price signal to Sydney Water that reflects SCA's Short Run Marginal Cost of supply (SRMC) over the next determination period.

Further, in support of its pricing proposal, SCA argued that:

- ▼ The signals Sydney Water's prices send to its customers would be unaffected by the structure of SCA's prices over the 2009 determination period. This is because the cost pass-through mechanism in the 2008 Sydney Water determination specifies that variations in SCA's total charges to Sydney Water will be passed through only via Sydney Water's fixed water service charge to its customers.
- ▼ While Sydney Water has advised that it intends to run the desalination plant at close to full capacity for its first two years of operation:

...uncertainty over the volume of water that will be supplied to Sydney Water during and after its two year start up period is still a major concern for the SCA in terms of potential revenue variability. Trialling a fixed charge approach over the next price path would be a good way to minimise risk for the SCA, Sydney Water, and its customers during this period.<sup>133</sup>

SCA also noted that setting its volumetric charge to Sydney Water with reference to its estimated LRMC would be problematic, for the following reasons:

- ▼ It is not possible to estimate SCA's LRMC accurately, as the scope, timing and decision to construct future SCA supply augmentation projects will be made by the Government in finalising the next version of the Metropolitan Water Plan (to be released in 2010).
- ▼ Given the magnitude of recent estimates of SCA's LRMC and its revenue requirement for the 2009 determination period, if its volumetric charge to Sydney Water was set equal to its LRMC, SCA would over-recover its costs or require a negative fixed charge in order to avoid such over-recovery.<sup>134</sup>

#### SCA's submission to the draft determination and report

SCA's April 2009 submission maintained its argument for a substantial increase to its fixed charge to Sydney Water, and its proposal to set its volumetric charge to Sydney Water with reference to its SRMC. SCA argued for a higher fixed/volumetric charge ratio on the basis of its views that:

- ▼ Supply augmentation is not expected to be required for several years – therefore, it is appropriate to set its volumetric price to Sydney Water with reference to its SMRC rather than LRMC of supply.

<sup>133</sup> SCA submission, September 2008, pp 40-41.

<sup>134</sup> Ibid, pp 38-41.

- ▼ A higher fixed charge would help to protect it against sales volatility. It notes that a substantially higher fixed charge to Sydney Water over the next three years would "act as a buffering mechanism to sales and consequent revenue variability."<sup>135</sup> It also suggested that measures to secure its revenues are particularly important in the current economic climate, where SCA faces increases in its long service leave liability and actuarial losses on defined benefit superannuation schemes.<sup>136</sup>

SCA argued against maintenance of the current fixed/volumetric price ratio (and hence the tariff structure in IPART's draft determination and report) on the following grounds:

- ▼ There is no volumetric price signal to Sydney Water's end use customers from SCA's prices. For the duration of the upcoming three year price path, volumetric charges to Sydney Water's customers have already been determined by IPART (under IPART's 2008 Determination of Sydney Water's prices, changes to Sydney Water's cost of purchasing water from SCA as a result of this determination will be passed through to end use customers via the fixed water service charge).
- ▼ It is appropriate to set SCA's volumetric charge at SRMC rather than LRMC, as the next SCA water supply increment for Sydney is not expected to be required until 2028.
- ▼ Any financial incentive to Sydney Water as a result of SCA's tariff structure over the next three years "is relatively weak, especially in light of the need to prove its desalination plant."<sup>137</sup>

### 8.2.2 Stakeholder comments

#### Stakeholder submissions to the issues paper

Several stakeholders expressed concern with the SCA's proposal that a higher proportion of its revenue be generated through its fixed charge to Sydney Water.

The Independent Advisory Panel for the Sydney Metropolitan Water Plan (the Panel) submitted that in its view, SCA's proposed 80 per cent fixed and 20 per cent volumetric split has the potential to create perverse outcomes when Sydney Water makes choices between alternative water sources – particularly in the future, with a likely more complex portfolio of potential water sources. It also pointed out that if SCA's proposed split is adopted, Sydney will have a regime in which retail customers are receiving price signals guided by LRMC but wholesale water customers would receive price signals that more closely reflect the SRMC.

<sup>135</sup> SCA submission, April 2009, p 7.

<sup>136</sup> Ibid, p 5.

<sup>137</sup> Ibid.

## 8 Pricing decisions for SCA's water services

The Panel put the view that SCA's volumetric charge should generally be based on its LRMC of supply, and this LRMC should be estimated with reference to supply augmentation projects required over a 30-year planning horizon. However, the Panel also recognised that a feature of LRMC is that it can fluctuate sharply – falling immediately after a significant augmentation has been made to capacity; and rising steadily towards the next augmentation. The Panel considered that this may require some 'smoothing' of prices.

In addition, the Panel suggested that the estimated opportunity cost of desalination plant water could be used as a guide for setting SCA's volumetric charge. According to the Panel, this cost could be calculated as the variable operating costs of the desalination plant *plus* the 'cost' of lost airspace<sup>138</sup> in the dams as a result of running the desalination plant.<sup>139</sup>

Jemena Limited also submitted that it would be a regressive step to lower the volumetric charge, especially to the extent proposed by SCA. Jemena put the view that this would compromise the economics of conservation measures, such as network leakage reduction, which could be justified in part by higher volumetric charges. Jemena supported an option whereby SCA charges Sydney Water a fixed price for a given maximum quantity of water ("something less than the sustainable yield"), with any consumption above this amount charged at a volumetric price set with reference to an estimate of SCA's LRMC. In recognition of the complexity in determining the LRMC, Jemena also proposed an alternative approach whereby the volumetric charge is set equivalent to the marginal cost of water from Sydney Water's desalination plant.<sup>140</sup>

The Total Environment Centre (TEC) submitted that IPART should continue the process of reducing the reliance on fixed charges in favour of volumetric charges. TEC considered that SCA's proposal to increase its fixed charge would reduce the resource conservation signal to Sydney Water and "reverse the price reform progress made in the previous determination." TEC pointed out that Sydney Water has the capacity to respond to a volumetric price signal by investing in demand management and recycling initiatives.

TEC also submitted that Sydney Water should not exceed the demand management targets in its Operating Licence. It recommended a 'step pricing' approach to any water supplied by SCA that would place Sydney Water above these demand management targets. It argued that Sydney Water should not be allowed to pass this additional cost onto customers, and that any additional revenue received by SCA from 'step pricing' should be dedicated to environmental research and restoration.<sup>141</sup>

<sup>138</sup> The Panel's submission (p 4) mentions "cheap water that can be captured when there is more airspace in storages" and "the benefits and costs of dam spills".

<sup>139</sup> Independent Advisory Panel for the Sydney Metropolitan Water Plan submission, October 2008, pp 1-5.

<sup>140</sup> Jemena Limited submission, October 2008, pp 1-2.

<sup>141</sup> Total Environment Centre submission, October 2008, pp 2-3.



Sydney Water noted that SCA's proposal would transfer significant risk from SCA to Sydney Water. It put the view that if SCA's proposed price structure is adopted, there would need to be an adjustment at the next determination of Sydney Water's prices for extra costs incurred by Sydney Water over the course of the 2009 determination period, as well as recognition of increased risk to Sydney Water in future determinations.<sup>142</sup>

#### Stakeholder submissions to the draft determination and report

Jemena supports IPART's draft decision not to reduce SCA's volumetric charges. According to Jemena:

The proposed real increase in the volumetric charges over the period, while not as great as Jemena believes can be justified, is a move in the right direction. Ultimately these increases should flow through to retail volumetric charges to improve the competitive position of sources, such as recycled water, that compete in the retail market.<sup>143</sup>

TEC also welcomes IPART's decision not to support SCA's proposal to generate more revenue from its fixed charge to Sydney Water. As noted in its October 2008 submission, TEC believes that SCA's proposal to reduce its volumetric charge to Sydney Water would "diminish the resource conservation signal provided to bulk water customers such as Sydney Water." TEC is disappointed, however, that IPART has not sought to strengthen this signal by reducing fixed charges and increasing the contribution of volumetric charges.

#### 8.2.3 IPART analysis

IPART considered a number of options for SCA's charges to Sydney Water, including those proposed by SCA and other stakeholders.

IPART has decided to increase SCA's fixed and volumetric charges to Sydney Water by equal proportion. Its pricing decisions on these charges are shown in Table 8.3 below.

**Table 8.3 SCA prices to Sydney Water 2009/10 to 2011/12 (\$, real 2008/09)**

SCA's charges	2008/09	2009/10	2010/11	2011/12
Volumetric price to Sydney Water (\$/ML)	222.17	240.61	250.57	260.92
Fixed charge to Sydney Water (\$M)	67.21	72.78	75.80	78.93
Year on year % increase in charges		8.3%	4.1%	4.1%
Proportion of revenue generated by fixed charge	38.4%	37.8%	40.3%	40.9%

<sup>142</sup> Sydney Water submission, October 2008, p 2.

<sup>143</sup> Jemena Limited submission, April 2009, p 1.

## 8 Pricing decisions for SCA's water services

This pricing approach:

- ▼ increases SCA's current fixed and volumetric charges to Sydney Water by about 17.4 per cent over 2008/09 (current prices) to 2011/12 (the last year of the upcoming determination period)
- ▼ provides a volumetric signal above SCA's SRMC (which is about \$70 per ML<sup>144</sup>), but below estimates of its LRMC<sup>145</sup> and the desalination plant's marginal operating cost (estimated to be at least \$422 per ML<sup>146</sup>)
- ▼ approximately maintains the current ratio between the revenue generated from the volumetric charge and from the fixed charge
- ▼ maintains the current distribution of sales risk between SCA and Sydney Water.

IPART considers that this approach is a reasonable 'holding' option for the 2009 determination, given that SCA's operating environment will be in a state of some transition during the determination period. One of the primary reasons for this is that the Metropolitan Water Plan is currently being updated (scheduled to be released 2010). The updated plan will drive SCA's expenditure and operating requirements in the future. Another reason is the commissioning of the desalination plant and development of the plant's operating rules (also due to occur in 2010).

IPART does not favour SCA's proposal for two main reasons:

- ▼ First, it would result in a significant decrease to SCA's volumetric charge, when this charge may have to be increased at future price determinations (eg, to signal the cost of SCA's supply augmentation requirements or the scarcity value of water in its storages). This would lead to significant price volatility between determination periods.
- ▼ Second, the volumetric charge would not provide any signal in relation to future (or longer term) SCA supply augmentation requirements.

Furthermore, while SCA has argued for a lower volumetric charge on that grounds that there is significant uncertainty over the volume of water that will be supplied to Sydney Water from the desalination plant, IPART considers this uncertainty to be minimal given that Sydney Water's latest estimates of the operating regime of the plant (which assume that it will run at near full capacity for its first two years of operation) have been factored into SCA's supply forecasts.

<sup>144</sup> SCA's December 2008 submission (p 1) reports that SCA's SRMC is estimated at \$0.07 per kL, "based on the current cost of water pumping in the Shoalhaven Scheme."

<sup>145</sup> Based on indicative estimates of the cost and yield (kL) of SCA's next likely supply augmentation project (a form of Shoalhaven transfers project), IPART's preliminary estimate is that SCA's LRMC is at least \$1.20 per kL.

<sup>146</sup> Sydney Water's September 2007 submission (p 51) to its 2008 Determination states that the annual operating costs of running the desalination plant at 250ML/day are about \$55 million and that about 70 per cent of these costs vary with output.

### Scarcity pricing: pricing that depends on dam levels

In considering SCA's price structure, IPART examined a number of pricing options. As noted in the draft report, IPART is particularly interested in the potential development of a form of 'scarcity pricing', as a complement to (not replacement for) water restrictions. Under such an approach, SCA's volumetric charge to Sydney Water would vary with dam levels and the relative scarcity of SCA's available water supply. This may or may not be linked to a form of scarcity pricing for Sydney Water's customers – although if scarcity pricing is passed through to retail customers, IPART envisages that it would only apply to discretionary levels of water consumption. IPART's preliminary views on the characteristics and possible benefits of a potential scarcity pricing model are outlined further in Appendix F.

A form of scarcity pricing would have the advantage of recognising that as SCA water becomes more (or less) scarce, the opportunity cost of using water for immediate consumption increases (or decreases). In turn, this may help to:

- ▼ signal to Sydney Water the points in time when it is more appropriate to draw on alternative sources (such as desalination)
- ▼ provide incentives to Sydney Water to invest in additional water conservation and demand management measures, where efficient
- ▼ signal to water consumers the scarcity value of water (meaning that they may have an incentive to reduce discretionary consumption when dam levels are low) – if this price is ultimately passed through to these consumers by Sydney Water.

However, IPART has decided not to implement scarcity pricing as part of this determination. This is because IPART sees merit in examining this pricing option as part of a concurrent review of SCA's and Sydney Water's prices. Such a review could examine the merits and form of a workable scarcity pricing model suitable to the Sydney context, including consideration of its role and objectives, whether it should be applied to retail as well as wholesale prices, and the potential effects of this form of pricing.

IPART has also decided not to implement a form of scarcity pricing at this time because development and implementation of this option should be informed by reviews that are due to be completed during the 2009 determination period, including review of the current restriction regime (a new regime is scheduled to be introduced in 2010<sup>147</sup>), release of the updated Metropolitan Water Plan (due 2010), and release of the operating rules for the desalination plant (due 2010).

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<sup>147</sup> According to the 2007 Progress Report on the NSW Government's Metropolitan Water Plan (p 10), "As part of the update of the Metropolitan Water Plan, an improved drought restrictions regime for the next drought will be developed to take account of the experiences and community responses from this drought and new developments such as the desalination plant."

## 8 Pricing decisions for SCA's water services

In response to the draft report, Sydney Water noted that the introduction of new water sources and the potential entry of new players "may make it worthwhile to investigate the scope to develop a market for bulk water", and that "Efficient bulk water pricing may be a step in this direction." However, Sydney Water also stated that:

- ▼ Through investments in recycling, desalination and water efficiency measures, "Sydney does not currently have a scarcity of water and there are substantial potential new supply sources to address any future scarcity."
- ▼ If the price of water is set at its long run marginal cost, then "additional supply should be financially viable and should be implemented to the extent required to address any scarcity. In these circumstances, it is not clear what wholesale scarcity pricing is intended to achieve and nor is it clear why it is needed."
- ▼ Any approach to pricing SCA water depending on its dam levels should complement the outcomes of the current Metropolitan Water Plan review, which is considering the most efficient combination of water supply sources to meet demand, "both within and out of drought."
- ▼ Any scarcity pricing regime would necessitate changes to Sydney Water's operating licence.<sup>148</sup>

The Total Environment Centre (TEC) has reservations about scarcity pricing. It believes that there should be an equally strong focus on conserving water during both droughts and in periods of abundant water supply:

Thus a strong resource conservation signal is important at all times. There is also a risk that rather than invest in demand management and water conservation; Sydney Water may simply seek to increase the output of the energy intensive and environmentally damaging desalination plant.

TEC believes that a superior approach would be to apply financial penalties to Sydney Water for any water sales in excess of operating licence demand management targets. Such penalties should apply irrespective of the source of supply – ie, SCA or desalination. This would provide a strong incentive to Sydney Water to invest in demand management and water conservation, irrespective of supply levels. Revenue obtained from such penalties should be invested in demand management and water conservation in order to address the failure to meet demand management targets.<sup>149</sup>

IPART will consider the issue of scarcity pricing further over the course of the 2009 determination period, including the above-mentioned points raised by stakeholders. It therefore remains interested in receiving stakeholder comments on this pricing option.

<sup>148</sup> Sydney Water submission, April 2009, p 2.

<sup>149</sup> Total Environment Centre submission, April 2009, p 1.

### 8.3 Pricing decisions for charges to Local Councils

SCA currently levies Local Councils (Shoalhaven City Council and Wingecarribee Shire Council) a volumetric charge only.

Over the 2005 determination period, SCA's price to Local Councils has been increasing towards the level of SCA's volumetric charge to Sydney Water. The 2005 determination set SCA's prices to Local Councils at \$126.88 per ML in 2005/06 (\$2005/06), to transition up to \$192.27 per ML by 2008/09, which equates to a real price increase of 51.5 per cent. This compares to SCA's volumetric charges to Sydney Water of \$155.34 per ML and \$203.27 per ML (\$2005/06) in 2005/06 and 2008/09, respectively, which resulted in a real price increase of 30.9 per cent over the 2005 determination period. In its final report on the 2005 determination, IPART noted that this increase to Local Council prices over the determination period reflected its decision that:

...water usage charges for Wingecarribee Shire Council and Shoalhaven City Council should be increased in an orderly manner so that their water usage charges reach a similar level to Sydney Water's charges in the next determination period.<sup>150</sup>

#### 8.3.1 SCA's submission

SCA proposed that its volumetric charge to the Wingecarribee Shire Council and Shoalhaven City Council increase by the change in the CPI only. It also proposed its charge to Goulburn Mulwaree Council be the same as the other Councils, once the SCA commences supply to Goulburn.<sup>151</sup> SCA's proposed prices to Local Councils are listed in Table 8.4 below.

**Table 8.4 SCA's proposed prices to Local Councils (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Volumetric price (\$/ML)	210.1	210.1	210.1	210.1

Source: SCA submission, September 2008, pp 42-43.

#### 8.3.2 Stakeholder comments

##### Stakeholder submissions to the issues paper

Shoalhaven City Council submitted that SCA's proposal to increase its price to the Local Councils by the change in the CPI is reasonable.<sup>152</sup>

<sup>150</sup> IPART, *Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services, Final Determination and Report*, September 2005, p 102.

<sup>151</sup> As previously mentioned, a pipeline that will supply water from Wingecarribee Dam to Goulburn Mulwaree Council is due for completion in June 2011.

<sup>152</sup> Shoalhaven City Council submission, October 2008.

## 8 Pricing decisions for SCA's water services

Goulburn Mulwaree Council stated that it would be concerned if prices increased by more than the change in the CPI. It would also oppose the introduction of a fixed charge – as there will be long periods when it is not required to purchase water from the SCA (because it will only need to do so to supplement its supply during times of drought).<sup>153</sup>

Wingecarribee Shire Council submitted that SCA's current charge to it should be reduced. It argued that, as its demand can be met from water collected from the Wingecarribee River Catchment, the transfer system from the Shoalhaven River to Metropolitan Sydney and the rest of Sydney's bulk water supply are not relevant for supplying the Wingecarribee Shire. Therefore, it considered that only a 'small fraction' of SCA's total operating costs and infrastructure relate to the supply of water to Wingecarribee Shire Council's treatment plant.

Wingecarribee Shire Council also noted that it is at least partly responsible for funding major sewage plant upgrades and sewerage works, which impose a significant cost on the Council and its residents (via higher sewerage charges), but which benefit Sydney as a whole by helping to protect the drinking water catchment.

In addition, Wingecarribee Shire Council pointed out that SCA's price has risen significantly since 2003/04, and that has had a 'marked' impact on the Council's charges to its customers, which it claims are already significantly higher than the state average.<sup>154</sup>

#### Stakeholder submissions to the draft determination and report

IPART's draft determination increased all of SCA's charges by equal proportion, using a 'p-nought' and then glide path approach to recover SCA's costs. This meant that under the draft determination SCA's prices to Local Councils would have increased by 14.2 per cent in real terms from 2008/09 to 2011/12.

Wingecarribee Shire Council has argued that the draft determination would result in bulk water prices to Local Councils that are too high. It requested that IPART reduces the bulk water price to Local Councils or at least caps the price at the present level for the upcoming determination period.

In arguing for a lower price, Wingecarribee Shire Council states that:

Only a very small proportion of the total infrastructure owned and operated by the SCA contributes to supplying water to Council. The SCA's cost of supplying a megalitre of water to Council is only a small proportion of supplying a megalitre of water to Sydney Water.<sup>155</sup>

<sup>153</sup> Goulburn Mulwaree Council submission, October 2008.

<sup>154</sup> Wingecarribee Shire Council submission, October 2008, pp 1-12.

<sup>155</sup> Wingecarribee Shire Council submission, April 2009, p 1.

It also believes that the following factors should support its argument for a lower price:

- ▼ Excluding the impact of changes in SCA's price, Wingecarribee Shire Council's water charges to its residents may need to increase by approximately 7 per cent in 2009/10. According to the Council, the impact of an additional price rise owing to an increase in SCA's bulk water price "will be significant for shire residents."
- ▼ Wingecarribee Shire Council is well advanced with a \$104 million program of upgrading and maintaining its sewerage infrastructure, and much of this is to protect the Sydney Catchment. According to the Council, its residents are currently paying approximately \$520 per annum in sewerage charges, "which is one of the highest for similar sized councils." Therefore, it states that:

"In recognition of this commitment, a fair and equitable price for the supply of bulk water from SCA is a reasonable expectation."<sup>156</sup>

Goulburn Mulwaree Council also argues for a lower price than that listed in the draft determination. It states that under the draft determination SCA's charge to Goulburn Mulwaree Council is:

...excessive and does not recognise the valid differences between Goulburn's circumstances and those of other bulk water customers.<sup>157</sup>

Goulburn Mulwaree Council cites the following reasons for its position:

- ▼ The cost of the Wingecarribee to Goulburn pipeline (\$54.3 million plus operating costs) has been the subject of broad community concern. This cost will increase charges to retail water customers in the Goulburn area.<sup>158</sup>
- ▼ Goulburn already has expensive water compared to the rest of NSW, with residential charges in 2008/09 comprised of an availability charge of \$230 plus a stepped tariff of \$1.45 per kL up to 292 kL and \$2.00 per kL beyond this level of consumption.
- ▼ The current drought has had a significant impact on the Goulburn community. "The financial impact on existing water customers in funding drought security is very significant and has been the subject of a prolonged debate."
- ▼ Due to the Wingecarribee to Goulburn pipeline, SCA incurs no costs in delivering bulk water to Goulburn Mulwaree Council (whereas SCA has to deliver water to Sydney Water's treatment facility).

Goulburn Mulwaree Council also notes that as Goulburn sits within the Sydney Catchment, there is an ongoing cost to the Goulburn community in protecting Sydney's drinking water catchment.

<sup>156</sup> Wingecarribee Shire Council submission, April 2009, p 2.

<sup>157</sup> Goulburn Mulwaree Council submission, April 2009, p 1.

<sup>158</sup> Goulburn Mulwaree Council notes that current residential water customers have been levied an additional \$75 per household for a period of 30 years to repay a \$10 million loan for the Council's share of the pipeline's cost.



## 8 Pricing decisions for SCA's water services

**8.3.3 IPART's analysis**

IPART's decision is to increase all of SCA's charges by equal proportion. This means that from their current level in 2008/09 to the final year of the 2009 determination period (2011/12), SCA's prices to Local Councils will increase by approximately 17.4 per cent. These prices are shown in Table 8.5 below.

**Table 8.5 Decision on SCA's prices to Local Councils (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Volumetric price (\$/ML)	210.05	227.48	236.90	246.69

This approach increases prices to Local Councils, in line with SCA's increasing costs and revenue requirement, but it still maintains a relatively small price differential between SCA's volumetric prices to Local Councils and to Sydney Water (about 5.5 per cent per annum throughout the determination period).

IPART notes that due to the integrated nature of SCA's system and because most of its costs are fixed, SCA has advised that it is difficult or almost impossible to separate out its costs of supplying each Council with any reasonable degree of accuracy.<sup>159</sup>

However, in response to the Councils' concerns about the level of SCA's prices, including the points raised in Wingecarribee Shire Council's and Goulburn Mulwaree Council's submissions, IPART notes the following:

- ▼ as with Sydney Water, Local Councils benefit from the dispersed yet integrated nature of SCA's supply system, through enhanced security and reliability of supply
- ▼ SCA's operating costs over 2009/10 to 2011/12 do not include provision for the cost of pumping water from the Shoalhaven to Sydney
- ▼ unlike Sydney Water, Local Councils are not faced with a fixed charge from SCA, and their volumetric charge remains below that of Sydney Water's usage price for SCA water
- ▼ SCA's charge to Local Councils also remains well below estimates of SCA's overall average cost of water supply. Table 8.6 shows that over the upcoming determination period, SCA's charge to Local Councils is estimated to be between 43 per cent and 42 per cent lower than SCA's average per ML cost of supply.

IPART notes that these last two points are significant, and act as considerable arguments against the Local Councils' call for lowering prices or maintaining them at current levels – particularly considering SCA's costs are increasing over time. While the SCA volumetric charge to Local Councils' is only marginally below that paid by Sydney Water, the absence of a fixed charge means that the Local Councils' per ML

<sup>159</sup> This is shown by the broad cost range quoted in SCA's December 2008 submission (p 3): SCA's preliminary estimates of its costs of supplying Wingecarribee Shire Council range from \$150 per ML (incremental cost) to \$1,000 per ML (stand-alone cost).



cost of purchasing SCA water is significantly below Sydney Water's average per ML cost of supply from SCA and also significantly below SCA's overall average per ML cost of supply.

**Table 8.6 SCA prices to Local Councils compared to SCA's average cost of supply (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Volumetric price to Local Councils (\$/ML)	210.05	227.48	236.90	246.69
SCA's average cost of supply (\$/ML) <sup>a</sup>	371.83	401.46	412.67	424.94
Difference: discount to Local Councils' price relative to SCA's average cost of supply	44%	43%	43%	42%

<sup>a</sup> Average cost of supply is calculated as: SCA's notional revenue/SCA's total sales.

#### 8.4 Pricing decisions for charges to unfiltered and raw water customers

SCA supplies water to about 65 retail customers, which currently account for approximately 0.04 per cent of its water sales. Currently, the water supplied to retail customers is classified into two categories:

- ▼ raw water – ie, water that has not been managed in any way
- ▼ unfiltered water – ie, water that has been managed for quality, whether by chemical treatment or otherwise (eg, source selection), but not treated at a water filtration plant.

These retail customers have direct off-takes from SCA's pipelines, canals and storages. Raw water customers draw directly from SCA's storages. Unfiltered water customers draw from SCA's supply conduits, prior to the water reaching a filtration plant. SCA currently has approximately 58 unfiltered water and 7 raw water customers.

Under IPART's 2005 determination:

- ▼ Raw water customers only pay a volumetric charge. This was set at \$0.45 per kL in 2005/06 (\$2005/06), to be maintained in real terms throughout the determination period. This charge is \$0.49 in \$2008/09.<sup>160</sup>
- ▼ Unfiltered water customers currently pay:
  - A volumetric charge set at \$0.77 per kL in 2005/06 (\$2005/06), which was maintained in real terms throughout the determination period. This charge is \$0.84 per kL in \$2008/09.<sup>161</sup>

<sup>160</sup> SCA submission, September 2008, p 43.

<sup>161</sup> Ibid.

## 8 Pricing decisions for SCA's water services

- A fixed service availability charge based on meter size. For each meter size, the fixed charge was held constant throughout the determination period.<sup>162</sup> For example, the charge for a 20mm meter was \$75.00 in 2005/06 and is still \$75.00 in 2008/09.<sup>163</sup>

IPART notes that SCA's charges to unfiltered and raw water customers have remained essentially unchanged since 2000.

#### 8.4.1 SCA's submission

SCA proposed that its unfiltered water prices be fully aligned with Sydney Water's<sup>164</sup> unfiltered water prices.<sup>165</sup> It pointed out that, although the fixed charges for SCA's and Sydney Water's unfiltered water customers are 'practically identical' for 2008/09<sup>166</sup>, the 2008 Sydney Water determination resulted in a Sydney Water volumetric charge for unfiltered water of \$1.31 per kL in 2008/09<sup>167</sup>, compared to SCA's current charge of \$0.84 per kL. According to SCA:

This 36 percent disparity in prices for the same product results in neighbouring property holders wanting to switch from Sydney Water to SCA connection.<sup>168</sup>

SCA also proposed that, over the 2009 determination period, raw water customers' usage charge be transitioned up to align with that of unfiltered water customers.<sup>169</sup>

SCA's December 2008 submission noted that:

When the SCA was established in 1999, it inherited a number of other smaller 'retail' customers. In its original 2000 price determination for the SCA, IPART recognised the need to align prices between Sydney Water's customers and the SCA's retail customers. The SCA's approach to pricing for these retail customers has since been to essentially maintain the status quo. In making its price determination for the SCA's retail customers in 2000, IPART:

- took into account the fact that when normal reticulated water supplies are available from Sydney Water, customers are required to disconnect from the major transportation conduits of the SCA and reconnect to Sydney Water's 'normal' distribution mains

<sup>162</sup> The 2005 Determination provided that only 75 per cent of this charge was to be levied in the first year of the determination period (2005/06).

<sup>163</sup> IPART, *Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services – Determination No 7, Sydney Catchment Authority*, September 2005, p 7.

<sup>164</sup> Sydney Water currently sells unfiltered water to a range of customers, including large industrial customers such as BlueScope Steel in Wollongong.

<sup>165</sup> SCA submission, September 2008, p 43.

<sup>166</sup> In 2008/09, for a 20mm fixed connection, charges for Sydney Water customers are \$75.70 per annum.

<sup>167</sup> Sydney Water's unfiltered water charge is then set to transition up to \$1.63 per kL by 2011/12.

<sup>168</sup> SCA submission, September 2008, p 43.

<sup>169</sup> *Ibid.*

- sought to avoid price shocks that this might generate to the SCA's customers (when transferring to Sydney Water's reticulation)
- maintained the signal in relation to demand management and efficient resource use, to the SCA's retail customers, similar to that for Sydney Water's customers.

Since then however, SCA and Sydney Water pricing for unfiltered water have diverged.<sup>170</sup>

#### 8.4.2 IPART's analysis

As outlined above, IPART has decided to increase all of SCA's charges by equal proportion.<sup>171</sup> This means that SCA's prices to unfiltered and raw water customers will increase by approximately 17 to 18 per cent over 2008/09 to 2011/12. These prices are shown in Table 8.7 below.

**Table 8.7 Decision on charges for unfiltered and raw water (\$, real 2008/09)**

SCA's charges	2008/09	2009/10	2010/11	2011/12
Volumetric price for raw water (\$/kL)	0.49	0.53	0.55	0.58
Volumetric price for unfiltered water (\$/kL)	0.84	0.91	0.95	0.99
Fixed charge to unfiltered water customers – for 20 mm meters (\$)	75.00	81.23	84.59	88.08
Fixed charge to unfiltered water customers – for meter size above 20 mm (\$)	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400

IPART considers that the benefits of this pricing option are:

- ▼ SCA's increase in revenue requirement (costs) is shared proportionally across all charges (and customers)
- ▼ unfiltered and raw water prices increase, as would be expected to occur given SCA's increased revenue requirement and the trend of all other water charges, but not to the significant extent proposed by SCA
- ▼ this appears to be a reasonable holding option, until further work is done on the cost of servicing SCA's and Sydney Water's unfiltered and raw water customers.

IPART decided not to adopt SCA's proposal for the following reasons:

- ▼ it would involve significant increases in price for a small number of customers, and SCA was unable to provide sufficient justification for these large price increases on the basis of cost
- ▼ this significant price increase would occur at a time when SCA's other customers face relatively moderate price rises

<sup>170</sup> SCA submission, December 2008, p 4.

<sup>171</sup> Although volumetric charges to unfiltered and raw water customers do not increase by the exact same proportions as SCA's other prices, due to rounding (to the nearest cent per kL).

## 8 Pricing decisions for SCA's water services

- ▼ unfiltered and raw water customers account for only a small fraction of total demand for SCA's water - therefore, these prices would make an insignificant or negligible contribution to SCA's revenue, as well as an negligible impact on SCA's water supply balance.

IPART has sought detailed information from SCA on the costs of supplying its raw and unfiltered water customers. SCA has not been able to supply this information. Establishing prices that reflect the costs of providing the service is a key principle adopted by IPART in setting regulated prices. One outcome of the 2008 Sydney Water determination was the agreement of Sydney Water to participate in a review of the cost of supplying unfiltered water to its customers in preparation for the next price determination. SCA has volunteered to also review its costs of supplying raw and unfiltered water in preparation for the next determination.<sup>172</sup> IPART considers that SCA should undertake this.

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<sup>172</sup> SCA submission, December 2008, p 5.

## 9 Implications of pricing decisions

In making its determination, IPART had regard to all the matters it is required to consider under the IPART Act. (Appendix A lists these matters in full and indicates where each matter is discussed in this report.) IPART is satisfied that the determination achieves an appropriate balance between these matters, particularly the needs and interests of water customers, SCA, the broader community and the environment.

The sections below discuss IPART's considerations and analysis in relation to several of these matters, including the implications of its pricing decisions on water customers, SCA's service standards, SCA's financial position and shareholders, general inflation and the environment.

### 9.1 Implications for water customers

In reaching its pricing decisions, IPART considered the implications of these prices for Sydney Water and its customers, the three Local Councils supplied by SCA and their customers, and SCA's retail (raw and unfiltered water) customers. As noted in Chapter 1, the determination primarily affects Sydney Water's and the Local Councils' water customers, as these businesses can generally pass SCA price rises onto their customers. IPART also analysed the contribution of the Minister for Water's section 16A direction to the price increases under the determination.

#### 9.1.1 Implications for Sydney Water and its customers

IPART's 2008 Sydney Water determination included a 'pass-through' mechanism that allows Sydney Water to adjust its charges to reflect changes in its bulk water costs as a result of the 2009 determination of SCA's prices.

The formula Sydney Water must use to adjust its charges is set out in the 2008 Sydney Water determination. For that determination, IPART set the level of the variable water usage charge so that it reflects the Long Run Marginal Cost (LRMC) of water supply. It then set the level of fixed water service charges to generate the difference between Sydney Water's annual revenue requirement and the expected annual revenue from usage charges. Therefore, the formula requires that any adjustments to Sydney Water's retail prices to account for changes in SCA's prices are to be made to the fixed water service charges.

## 9 Implications of pricing decisions

Table 9.1 shows the increases in Sydney Water's current schedule of water service charges that will occur as a result of this SCA determination. These increases are relatively small. For example, for a typical residential customer (with a 20mm meter), the water service charge will increase by \$6.77 in 2009/10 (taking the charge from \$90.96 to \$97.73 per annum) and by \$16.45 in 2011/12 (taking the charge from \$116.39 to \$132.84 per annum). In percentage terms, Sydney Water's water service charges will increase by 7.4 per cent in 2009/10, 11.7 per cent in 2010/11 and 14.1 per cent in 2011/12 as a result of this determination of SCA's prices.

**Table 9.1 Increase in Sydney Water's water service charges as a result of the determination (\$, real 2008/09)**

Meter size (mm)	2009/10	2010/11	2011/12
20	6.77	12.40	16.45
25	10.57	19.37	25.70
30	15.23	27.89	37.00
32	17.32	31.74	42.10
40	27.07	49.59	65.79
50	42.30	77.48	102.79
65	71.48	130.94	173.72
80	108.28	198.35	263.14
100	169.18	309.92	411.16
150	380.66	697.32	925.11
200	676.74	1,239.69	1,644.64
% increase to all service charges	7.4%	11.7%	14.1%

**Note:** These increases are relative to Sydney Water's schedule of prices for 2008/09 to 2011/12, as set by IPART at the 2008 Determination of Sydney Water's prices.

Table 9.2 shows the increases in combined water and sewerage bills for a variety of customers that resulted from IPART's 2008 Sydney Water determination, and the additional increases that will occur as a result of this determination of SCA's prices. It indicates that the 2008 Sydney Water determination resulted in significant increases in average water and sewerage bills over 2007/08 to 2011/12, and that the this SCA determination will result in further but relatively minor increases.

For example, for residential households that use 200kL of water per annum, the 2008 Sydney Water determination increased the average water and sewerage bill from \$752 in 2007/08 to \$997 in 2011/12, an increase of about 33 per cent over four years. This SCA determination will increase this average bill by a further \$16 (or around 1.6 per cent) in 2011/12, taking it from \$997 to \$1,013.

**Table 9.2 Increase in typical water and sewerage bills for customers of Sydney Water as a result of the 2008 Sydney Water determination and the 2009 SCA determination (\$, real 2008/09)**

Typical water & sewerage bills	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Res: 20mm meter &amp; 100 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	615	717	753	784	804
Year on year increase		16.6%	5.0%	4.1%	2.6%
Bill - 2009 SCA Det.			760	796	820
Increase to bill from 2009 SCA Det.			0.9%	1.6%	2.0%
<b>Res: 20mm meter &amp; 200 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	752	878	933	974	997
Year on year increase		16.8%	6.3%	4.4%	2.4%
Bill - 2009 SCA Det.			940	986	1,013
Increase to bill from 2009 SCA Det.			0.7%	1.3%	1.6%
<b>Non-Res: 20mm meter &amp; 300 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	890	1,039	1,113	1,164	1,190
Year on year increase		16.7%	7.1%	4.6%	2.2%
Bill - 2009 SCA Det.			1,120	1,176	1,206
Increase to bill from 2009 SCA Det.			0.6%	1.1%	1.4%
<b>Non-Res: 32mm meter &amp; 1,000 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	3,130	3,581	3,816	3,969	4,043
Year on year increase		14.4%	6.6%	4.0%	1.9%
Bill - 2009 SCA Det.			3,833	4,001	4,085
Increase to bill from 2009 SCA Det.			0.5%	0.8%	1.0%
<b>Non-Res: 80mm meter &amp; 10,000 kL pa</b>					
Bill - 2008 SWC Det. <sup>a</sup>	31,519	35,408	37,584	38,920	39,494
Year on year increase		12.3%	6.1%	3.6%	1.5%
Bill - 2009 SCA Det.			37,692	39,118	39,757
Increase to bill from 2009 SCA Det.			0.3%	0.5%	0.7%

<sup>a</sup> Sourced from IPART, *Review of prices for Sydney Water Corporation's water, sewerage, stormwater and other services, From 1 July 2008, Determination and Final Report*, June 2008, pp 131-133.

To put these increases into context, Table 9.3 shows the average water and sewerage bills for Sydney Water customers since 1996/97, and compares these bills to average earnings in NSW. This comparison indicates that, while average water and sewerage bills have increased significantly since 2007/08, they have been a relatively constant proportion of average earnings since 1996/97. Table 9.3 also shows that this SCA determination will not have a significant impact on average water and sewerage bills as a proportion of average earnings.

## 9 Implications of pricing decisions

**Table 9.3 Average Sydney water and sewerage bills as a proportion of average earnings in NSW, 1996/97 to 2011/12**

Year	Av bill (\$2008/09) <sup>a</sup>	Av earnings NSW (\$2008/09) <sup>b</sup>	Av bill as a % of av earnings	Av bill from this det.	Av bill from this det. as a % of earnings
1996/97	689	43,107	1.6%		
1997/98	714	43,897	1.6%		
1998/99	725	44,999	1.6%		
1999/00	727	46,176	1.6%		
2000/01	708	45,798	1.5%		
2001/02	707	45,907	1.5%		
2002/03	699	46,918	1.5%		
2003/04	703	47,872	1.5%		
2004/05	706	48,781	1.4%		
2005/06	739	49,180	1.5%		
2006/07	750	49,689	1.5%		
2007/08	752	50,434	1.5%		
2008/09	878	51,191	1.7%		
2009/10	933	51,958	1.8%	940	1.8%
2010/11	974	52,738	1.8%	986	1.9%
2011/12	997	53,529	1.9%	1,013	1.9%

**a** Annual water and sewerage bill for a customer that consumes 200kL per annum, from IPART's *Review of prices for Sydney Water Corporation's water, sewerage, stormwater and other services, From 1 July 2008, Determination and Final Report*, June 2008, p 132.

**b** Annual average gross (before tax) earnings of all employees. Average of four quarters ending August 2008. Source: Australian Bureau of Statistics, *Average Weekly Earnings Australia, 6302.0*, November 2007.

**Note:** Average earnings are assumed to increase at 1.5% per annum from 2006/07 levels (in real terms) from 2007/08 onwards.

**Source:** IPART, *Review of prices for Sydney Water Corporation's water, sewerage, stormwater and other services, From 1 July 2008, Determination and Final Report*, June 2008, p 132.

IPART also considered the impact of this SCA determination on potentially vulnerable customers (eg, those on low incomes who may be more affected by price increases). IPART notes that eligible pensioners currently receive rebates on their Sydney Water service charges. At present, these rebates are 100 per cent of the water service charge (subject to a maximum of \$18.94 per quarter, for 2008/09), 83 per cent of the sewerage service charge and 50 per cent of the stormwater service charge.<sup>173</sup> This means that, provided Sydney Water's pensioner rebate remains at 100 per cent of the water service charge (for metered residential properties and 20mm meter connections), this determination of SCA's prices will have no affect on 'eligible' pensioners' water bills.

<sup>173</sup> Sydney Water, *Rebates and social policy 2008-09*, [www.sydneywater.com.au/Publications/FactSheets/RebatesAndSocialPolicy.pdf#Page=1](http://www.sydneywater.com.au/Publications/FactSheets/RebatesAndSocialPolicy.pdf#Page=1), accessed 17 February 2009.



For other potentially vulnerable customers, Sydney Water's current social program includes several measures to mitigate the impact of prices, including:

- ▼ extended payment arrangements – Sydney Water offers customers flexible extended payment terms and a range of payment options to help them manage their bills
- ▼ No Interest Loan Scheme – Sydney Water supports this scheme, which involves a number of accredited community agencies providing loans to help customers purchase water efficient appliances
- ▼ Payment Assistance Scheme – under this scheme, participating welfare agencies assess the financial position of customers and provide payment vouchers to customers in financial difficulty.<sup>174</sup>

### 9.1.2 Implications for Local Councils and their customers

IPART's determination will increase prices to Local Councils by approximately 17.4 per cent from 2008/09 (current prices) to 2011/12 (the end of the 2009 determination period).

Wingecarribee Shire Council, the largest of SCA's Council customers, has advised that the current average household water bill for its customers is approximately \$380 per annum, and that the proportion of this bill attributable to bulk water costs is about \$47.50 (12.5 per cent).<sup>175</sup> Using these figures, Table 9.4 shows that the determination would increase a typical household water bill from \$380 in 2008/09 to approximately \$388 in 2011/12, a rise of about 2.2 per cent. This is equivalent to an increase of around 0.9 per cent for a typical household's combined water and sewerage bill. Data from the Water Services Association of Australia (WSAA) indicates that Wingecarribee Shire Council purchased approximately 79 to 86 per cent of its bulk water from SCA over 2006/07 and 2007/08.<sup>176</sup>

As it is expected to source a smaller proportion of its water from SCA, the impact of the determination on Goulburn Mulwaree Council's water customers is likely to be smaller than the impact on Wingecarribee Shire Council's customers. SCA is forecast to supply Goulburn Mulwaree Council with an average approximately 577 ML of water per year from 2011/12, which equates to about 15 to 17 per cent of its current unrestricted system demand.<sup>177</sup>

<sup>174</sup>[www.sydneywater.com.au/CustomerServices/CommunityAssistance/FinancialAssistance/#FactSheets](http://www.sydneywater.com.au/CustomerServices/CommunityAssistance/FinancialAssistance/#FactSheets), accessed 17 February 2009.

<sup>175</sup> Email from Michael Brearley, Director Technical Services, Wingecarribee Shire Council, 5 December 2008.

<sup>176</sup> Water Services Association of Australia, *National Performance Report 2007-2008, urban water utilities, Part B – Utility by Utility performance results*, p 230.

<sup>177</sup> The *Goulburn Water Supply Strategy Review* reports that: "It is estimated that the unrestricted system demand in 2008 would be about 3,340 ML/a for a year of average rainfall and up to 3,702 ML/a in a dry year after deducting water supplied from rainwater tanks." (Goulburn Mulwaree Council and NSW Department of Commerce, *Goulburn Water Supply Strategy Review – Report for Goulburn Mulwaree Council*, Report No. WSR08005, January 2009, p 3.)

## 9 Implications of pricing decisions

IPART expects that impact of the determination on Shoalhaven City Council's water customers should be very minor, as Shoalhaven purchases a very low proportion of its water from SCA. WSAA indicates that Shoalhaven City Council purchased about 0.5 per cent of its water from SCA over 2006/07 and 2007/08.<sup>178</sup>

IPART also notes that, with State Government support, Local Councils offer pensioner rebates and other social programs designed to protect vulnerable customers.

**Table 9.4 Impact of determination on Wingecarribee Shire Council water bills (\$, real 2008/09)**

	2008/09	2009/10	2010/11	2011/12
Typical household water bill <sup>a</sup>	380 <sup>b</sup>	384	386	388
Increase relative to 2008/09		1.0%	1.6%	2.2%
Typical household water and sewerage bill <sup>a</sup>	900 <sup>c</sup>	904	906	908
Increase relative to 2008/09		0.4%	0.7%	0.9%

<sup>a</sup> Assumes that (apart from the cost of purchasing bulk water from SCA) all other costs of servicing customers (ie, all other drivers of customer bills) remain unchanged.

<sup>b</sup> According to Wingecarribee Shire Council, a typical water bill is currently about \$380 per annum, and the cost of purchasing bulk water from SCA accounts for approximately 12.5 per cent (\$47.50) of this bill (email to IPART, 5 December 2008).

<sup>c</sup> Wingecarribee Shire Council's April 2009 submission advised that residents are currently paying approximately \$520 per annum in sewerage charges. Therefore, assuming a typical water bill is \$380 per annum, a typical household water and sewerage bill is \$900 per annum.

### 9.1.3 Implications for unfiltered and raw water customers

As noted in section 8.4, SCA supplies water to about 65 retail customers, comprising 58 unfiltered water customers and 7 raw water customers. Around a third of the SCA's retail customers consume more than 1,000kL a year and are typically industrial customers.<sup>179</sup> However, SCA has also provided raw and unfiltered water to government departments and agencies; religious orders, schools and scouting bodies; agricultural producers; and domestic users.<sup>180</sup>

Table 9.5 shows the usage distribution of SCA's raw and unfiltered water customers for 2007/08.<sup>181</sup>

<sup>178</sup> Water Services Association of Australia, *National Performance Report 2007-2008, urban water utilities, Part B – Utility by Utility performance results*, p 189.

<sup>179</sup> SCA submission, December 2008, p 4.

<sup>180</sup> IPART, 2003, *Sydney Catchment Authority Prices of Water Supply Services – Mid Term review of price path from 1 October 2000 to 30 June 2005*, p 38.

<sup>181</sup> SCA's 2008 Information Return to IPART reports that it had a total of 58 retail customers in 2007/08 (comprised of 3 raw water customers and 55 unfiltered water customers). This Information Return forecasts 7 raw water customers over the 2009 determination period, and recent information provided by SCA suggests it now services 58 unfiltered water customers (email from SCA to IPART, 22 January, 2009).

**Table 9.5 Usage distribution of SCA's retail customers (2007/08)**

kL per annum	Number of customers
0	9
100	6
200	10
300	5
400	2
500	6
750	2
1000	10
>5000	8
Total	58

Source: SCA submission, December 2008, p 4.

Under IPART's determination, SCA's raw and unfiltered water customers' water bills would increase by around 17 to 18 per cent over the determination period. For raw water customers, this increase comprises an 8.2 per cent increase in 2009/10, a 3.8 per cent increase in 2010/11 and a 5.5 per cent increase in 2011/12. For an unfiltered water customer consuming 200kL per annum, with a 20 mm meter, this increase comprises an 8.3 per cent increase in its water bill in 2009/10, a 4.3 per cent increase in 2010/11 and a further 4.2 per cent increase in 2011/12.

IPART notes that SCA's raw and unfiltered water charges have remained essentially the same since 2000. IPART considers that this determination achieves an appropriate balance between ensuring that raw and unfiltered water customers adequately contribute to the recovery of SCA's costs, while also protecting them from a significant price shock.

IPART also notes that SCA undertakes a limited range of social programs designed to assist vulnerable retail customers. These programs are a continuation of those Sydney Water used to undertake prior to the transfer of bulk water responsibilities to SCA. SCA has advised that, in total, these programs represent less than \$3,000 per annum, and include:

- ▼ pensioner rebates – these apply to three unfiltered water customers who receive a pensioner rebate equal to the unfiltered water service charge
- ▼ exempt properties – these apply to four properties supplied with unfiltered water that were not charged a service charge by Sydney Water because they were exempt from such charges under the terms of the *Sydney Water Act 1994*.<sup>182</sup>

IPART considers that these arrangements are appropriate and should continue.

<sup>182</sup> Email, SCA to IPART, 18 February 2009.

## 9 Implications of pricing decisions

**9.1.4 Impact on price increases of the section 16A direction**

As noted in Chapter 2, the Minister for Water directed IPART to include in its 2009 determination the efficient costs of SCA complying with the Minister's direction to SCA to contribute \$17.7 million (\$2009/10) to the Accelerated Sewerage Program (ASP). Therefore, IPART has included this \$17.7 million<sup>183</sup> in its estimate of SCA's efficient operating expenditure for 2009/10, for the purposes of determining SCA's notional revenue requirement and prices.

The exact effect on prices of SCA's contribution to the ASP depends on how IPART would have chosen to transition or smooth prices (and SCA's rate of return) over the determination period in the absence of this contribution. Nevertheless, IPART notes that this \$17.7 million contribution represents approximately 8.6 per cent of SCA's notional revenue requirement in 2009/10, which is marginally greater than the 8.3 per cent increase in SCA's prices in 2009/10 under the determination.

Under SCA's original pricing proposal, which involved equating revenue from prices with its notional revenue requirement in each year of the determination period, SCA's contribution to the ASP would add about \$11 (out of a total of \$18) to the annual water service charge of a typical (20mm meter) Sydney Water customer in 2009/10.<sup>184</sup>

Under an NPV neutral and smoothed pricing approach,<sup>185</sup> SCA's contribution to the ASP adds a total of about \$11 to the bills of typical (20mm meter) Sydney Water customers over 2009/10 to 2011/12 (ie, an average of about \$3.70 per annum over the three year determination period).

**9.2 Implications for SCA's service standards**

It is important that IPART's pricing decisions do not adversely affect the standards of service delivered to customers. For SCA's customers, service standards primarily relate to catchment management, bulk water quality, and security and reliability of water supply.

SCA's operating licence contains a number of service-related standards and requirements, which are reviewed as part of the annual audit of its compliance with the provisions of this licence. The most recent completed audit was in 2007/08. This audit found that SCA achieved High to Full Compliance with the audited sections of its operating licence that relate to bulk raw water quality, catchment management and protection, and management of catchment infrastructure works and water conservation. (See Appendix D for more detail on this audit.)

<sup>183</sup> This equates to \$17.3 million in \$2008/09.

<sup>184</sup> SCA submission, September 2008, p 45.

<sup>185</sup> Under this approach, prices increase relatively smoothly over the determination period, but in a manner that ensures the present value of SCA's expected revenue from prices equates with the present value of its notional revenue requirement over 2009/10 to 2011/12.

In addition, as Chapter 2 discussed, SCA is regulated through a range of other instruments and requirements, many of which aim to ensure it maintains service standards. For example, these include SCA's water management licence, its bulk water supply agreements with customers, the requirements of NSW Health and the Dams Safety Committee, and the requirement for an audit of the state of the Catchment to be conducted every two years.

IPART considers that the prices under the determination will allow SCA to continue to meet all of its service standards and other requirements during the 2009 determination period. The efficiency targets IPART included in estimating SCA's efficient operating and capital expenditure over this period are reasonable and achievable. In addition, IPART notes that in its submission, SCA identified a number of initiatives aimed at maintaining or enhancing its catchment management and bulk water supply performance. For example, these include enhancing the SCADA hydrometric system, implementing the Catchment Decision Support System, and developing an evaluation and monitoring process for all catchment activities.<sup>186</sup>

Further, as Chapter 3 discussed, IPART has made a decision to require SCA to report against output measures over the 2009 determination period, to link expenditure with projects that are important to the effective functioning of SCA.

### 9.3 Implications for SCA and its shareholders

IPART is satisfied that its determination will not adversely affect SCA's ability to operate, maintain, renew and develop the assets required to deliver its regulated services. In particular, it is satisfied that the determination will enable SCA to earn a reasonable rate of return, achieve an acceptable investment category rating (above the NSW Government's minimum requirement for a BBB rating), and pay appropriate dividends to its shareholder. If SCA did not increase its prices to the maximum levels allowed under the determination, IPART expects that SCA's contribution to the Consolidated Fund would fall.

#### 9.3.1 Rate of return

Table 9.6 shows IPART's decision on SCA's annual notional revenue requirements over the determination period, and the annual target revenue SCA is expected to generate from charges (given IPART's pricing decisions). The table also shows the difference between these amounts and the expected rate of return from charges. It indicates that under the determination, IPART expects SCA to earn a pre-tax rate of return on its RAB of around 5.9 per cent in 2009/10, increasing to 7.0 per cent in 2011/12. IPART considers that this rate of return appropriately balances the interests of SCA, its shareholder, its customers and the broader community.

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<sup>186</sup> Ibid, p 30 and 32.

## 9 Implications of pricing decisions

**Table 9.6 SCA's expected rate of return, given IPART's decisions on notional revenue requirement and prices (\$ million, real 2008/2009)**

	2008/09	2009/10	2010/11	2011/12
Notional revenue requirement	182.3	201.6	187.1	188.2
Present value of notional revenue requirement	532.9			
Target revenue from tariffs	182.3	193.7	189.5	194.6
Present value of target revenue	532.9			
Difference between present value of notional revenue requirement and present value of target revenue	0.0			
Expected rate of return from tariffs (real pre-tax)	6.3%	5.9%	6.7%	7.0%

**9.3.2 Investment category rating**

Investment category ratings provide an indication of a business' overall financial strength and viability. IPART analysed a range of financial indicators that are commonly used by credit rating agencies to assess an entity's financial strength and ability to service and repay debt. In doing so, IPART assumed that SCA would pay dividends to the NSW Government equal to 75 per cent of its after-tax profit. It also took account of the NSW Government's view that a BBB rating is the minimum target rating to ensure financial viability.

In calculating investment category ratings, NSW Treasury uses different ratio targets, depending on the underlying business risk of the entity. This means that to achieve a given investment rating a business classed as more risky will require greater financial protection (as measured by financial ratios or indicators) than a business with a lower risk profile. For the draft determination, IPART calculated investment ratings assuming that SCA has a business risk profile of 'well above average' – which is the lowest level of risk and the same profile that NSW Treasury has assigned to Sydney Water. However, SCA's submission to the draft determination notes that NSW Treasury classes SCA as 'above average' – which assumes a low level of risk, but not as low as Sydney Water's 'well above average' classification.<sup>187</sup>

For this review, IPART has not conducted in-depth analysis of SCA's business risk profile relative to that of Sydney Water, and therefore has not formed a view of whether SCA should be classed as having a risk profile of 'well above average' or 'above average'. Rather, it has examined results for both types of risk profile. Table 9.7 presents SCA's expected investment category ratings assuming that SCA has a business risk profile of 'well above average', while Table 9.8 lists these ratings assuming that SCA has a business risk profile of 'above average'. Table 9.8 shows that even if SCA is deemed to be subject to greater business risk than Sydney Water (per Treasury's classification), the maximum prices under this determination should enable it to achieve an overall credit rating of at least BBB+ throughout the determination period.

<sup>187</sup> SCA submission, April 2009, p 16.

**Table 9.7 SCA's expected investment category rating under the determination – assuming SCA has a profile of 'well above average'**

Indicator	2008/09	2009/10	2010/11	2011/12
1. Funds from Operations Interest Cover	2.78	2.35	2.47	2.74
NSW Treasury rating (2008)	A+	A	A	A+
2. Funds from Operations / Total Debt	11.7%	9.3%	10.7%	12.9%
NSW Treasury rating (2008)	A	BBB+	A	A+
3. Debt gearing (regulatory value)	36.6%	37.3%	36.5%	35.4%
NSW Treasury rating (2008)	AAA	AAA	AAA	AAA
4. Pre-tax Interest Cover	2.55	2.10	2.29	2.59
NSW Treasury rating (2008)	AA	A+	A+	AA
5. NSW Treasury total score (0 -10)	7.75	7.00	7.25	8.00
Overall rating	A+	A+	A+	AA

**Table 9.8 SCA's expected investment category rating under the determination – assuming SCA has a profile of 'above average'**

Indicator	2008/09	2009/10	2010/11	2011/12
1. Funds from Operations Interest Cover	2.78	2.35	2.47	2.74
NSW Treasury rating (2008)	BBB+	BBB	BBB	BBB+
2. Funds from Operations / Total Debt	11.7%	9.3%	10.7%	12.9%
NSW Treasury rating (2008)	BBB	BBB	BBB	BBB+
3. Debt gearing (regulatory value)	36.6%	37.3%	36.5%	35.4%
NSW Treasury rating (2008)	A+	A+	A+	A+
4. Pre-tax Interest Cover	2.55	2.10	2.29	2.59
NSW Treasury rating (2008)	A	BBB+	BBB+	A
5. NSW Treasury total score (0 -10)	5.50	5.00	5.00	5.75
Overall rating	BBB+	BBB+	BBB+	BBB+

SCA's submission to the draft determination also argued that IPART should adopt a benchmark capital structure (ie, a 60 per cent borrowing/RAB ratio from the start of the determination period) rather than SCA's actual gearing ratio (ie, a 37 per cent borrowing/RAB ratio from the start of the determination period) in undertaking analysis of its financial strength. SCA states that "Otherwise, there is a perverse incentive for shareholders to increase gearing levels to inefficient levels in order to maximise revenue requirements".<sup>188</sup> It also believes that "It is inconsistent to adopt a benchmark gearing for the purposes of determining the WACC and actual gearing for the purposes of determining the impact of regulatory decisions (including WACC) on financial viability."<sup>189</sup>

<sup>188</sup> SCA submission, April 2009, p 16.

<sup>189</sup> Ibid.



## 9 Implications of pricing decisions

However, IPART has maintained its approach of using SCA's actual gearing ratio for its calculation of investment category ratings. IPART notes that it does not use these ratings to set prices per se. Rather, they are used to provide an indication of the impact of IPART's pricing decisions on SCA, and to balance considerations listed under section 15 of the IPART Act. Given this, IPART considers that SCA's concerns regarding 'perverse incentives' and 'inconsistencies' with the determination of the WACC are not warranted.

**9.3.3 Dividend payments**

Based on the prices in the determination, IPART's modelling indicates that SCA will be able to maintain a 75 per cent dividend payout ratio (consistent with SCA's past dividend performance) and still achieve a credit rating of at least BBB+ in each year of the determination period.

**9.3.4 Impact on the Consolidated Fund if SCA does not increase prices to maximum levels allowed under the determination**

Under section 16 of the IPART Act, IPART is required to report on the likely impact on the Consolidated Fund if prices are not increased to the maximum levels permitted. If this is the case, then the level of tax equivalent and dividends paid to the Consolidated Fund will fall. The extent of this fall will depend on Treasury's application of its financial distribution policy and how the change affects after-tax profit.

IPART's financial modelling is consistent with a tax rate of 30 per cent for pre-tax profit and dividend payments at 75 per cent of after-tax profit. Assessing dividend applicable after-tax profits only, a one dollar decline in after-tax profit would result in a loss of revenue to the Consolidated Fund of 75 cents. Including the tax payable on pre-tax profits, a one dollar decline in pre-tax profit would result in a loss of revenue to the Consolidated Fund of 75 per cent of the after-tax profit of 70 cents, or 53 cents in total.



#### 9.4 Implications for general inflation

Water and sewerage currently comprise about 0.77 per cent of the eight capital cities weighted average consumer price index (CPI), and approximately 0.64 per cent of Sydney's CPI.<sup>190</sup> For a Sydney Water customer consuming 200kL per annum, the annual average increase to a water and sewerage bill from 2008/09 to 2011/12 as a result of the SCA determination is about 1.2 per cent (in real terms). Therefore, given that Sydney represents about one third<sup>191</sup> of the eight capital cities weighted average consumer price index (CPI), the approximate annual impact of the SCA determination on the national average CPI is about 0.0032 per cent.<sup>192</sup> For Sydney's CPI, the approximate annual impact of the SCA determination is about 0.0078 per cent.<sup>193</sup> This suggests that this determination will have a minimal to negligible effect on general price inflation.

#### 9.5 Implications for the environment

SCA's main objectives are to manage and protect Sydney's drinking water catchments and supply Sydney with reliable bulk water. Therefore, management and protection of the catchments' environments are fundamental to its operations.

The most significant impact on the environment of SCA's activities is its extraction of water from the environment and its modification of natural stream and river flows. As Chapter 2 discussed, several government agencies are responsible for regulating the environmental performance of SCA, including DWE and DECC.

IPART expects that its pricing decisions will assist SCA in meeting its environmental performance standards and encourage sustainable water management and consumption by:

- ▼ Allowing SCA to recover the costs it efficiently incurs in fulfilling its catchment management and water supply functions and in meeting its environmental obligations.
- ▼ Allowing SCA to recover its efficient costs and structuring its prices so that a significant proportion of its revenue is received via volumetric charges. This means the volumetric charges signal the costs of additional water consumption to SCA's customers and thus promote water conservation (where efficient) and least cost planning in water supply.

<sup>190</sup> Australian Bureau of Statistics, Consumer Price Index 15<sup>th</sup> Series Weighting Pattern (cat. no. 6430.0), September 2005.

<sup>191</sup> Sydney represents 33.80 per cent of the eight capital cities weighted average CPI (ibid).

<sup>192</sup>  $0.0032\% = (33.80\% \times 0.77\%) \times 1.2\%$ .

<sup>193</sup>  $0.0078\% = 0.64\% \times 1.2\%$ .



## Appendices

## A Matters to be considered by IPART under section 15 of the IPART Act

In making determinations IPART is required, under the IPART Act, to have regard to the following matters (in addition to any other matters IPART considers relevant):

- a) the cost of providing the services concerned
- b) the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services
- c) the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales
- d) the effect on general price inflation over the medium term
- e) the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- f) the need to maintain ecologically sustainable development (within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*) by appropriate pricing policies that take account of all the feasible options available to protect the environment
- g) the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets
- h) the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
- i) the need to promote competition in the supply of the services concerned
- j) considerations of demand management (including levels of demand) and least cost planning
- k) the social impact of the determinations and recommendations
- l) standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise).

Table A.1 outlines the sections of the report that address each matter.

A Matters to be considered by IPART under section 15 of the IPART Act

**Table A.1 Consideration of section 15 matters by IPART**

<b>Section 15(1)</b>	<b>Report Reference</b>
a) the cost of providing the services	Chapters 3 to 6
b) the protection of consumers from abuses of monopoly power	Chapters 2 and 3
c) the appropriate rate of return and dividends	Chapters 6 and 9
d) the effect on general price inflation	Chapter 9
e) the need for greater efficiency in the supply of services	Chapters 3 to 6
f) ecologically sustainable development	Chapter 9
g) the impact on borrowing, capital and dividend requirements	Chapter 9
h) impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body	SCA outsources some elements of its functions (eg, the SASPoM DECC Service Contract). IPART has set prices to allow SCA to recover its efficient costs of carrying out its roles and responsibilities (whether functions are carried out directly by SCA or contracted out to a third party). Chapters 5 and 6 outline IPART's findings on SCA's efficient expenditure.
i) need to promote competition	Not directly discussed, but relates to ensuring that prices reflect efficient costs and are not artificially deflated or inflated (which would distort competition).
j) considerations of demand management and least cost planning	Chapters 8 and 9
k) the social impact	Chapters 8 and 9
l) standards of quality, reliability and safety	Chapter 9

## B SCA's 2006/07 water balance (for Total Supply System)<sup>194</sup>

Total Supply System	Sources of water		Distribution of water	
	Volume (ML)	% of total	Volume (ML)	% of total
<b>Storage volume</b>				
Volume in storages at start of year			1,078,660	
Volume in storages at end of year			1,405,760	
<b>Changes in storages</b>			<b>327,100</b>	<b>21%</b>
<b>Storages net evaporation</b>			<b>94,015</b>	<b>6%</b>
<b>Inflows</b>				
All dams and weirs <sup>a</sup>	1,546,655	99%		
Groundwater	450	0%		
Fish River water supply purchases	3,115	0%		
<b>Sub-total</b>	<b>1,550,220</b>	<b>100%</b>		
<b>Water supplied to customers</b>				
Sales to Sydney Water			502,692	32%
Sales to Wingecarribee Shire Council			4,221	0%
Sales to Shoalhaven City Council			77	0%
Sales to Retail Customers			268	0%
<b>Sub-total</b>			<b>507,258</b>	<b>33%</b>
<b>Water released under water management licence</b>				
Releases to Shoalhaven City Council (Tallowa)			12,440	1%
Riparian releases			2,008	0%
Environmental releases <sup>b</sup>			41,195	3%
Other System release to river			499	0%
<b>Sub-total</b>			<b>56,142</b>	<b>4%</b>
<b>Reservoir or Weir Spills</b>			<b>572,274</b>	<b>37%</b>
<b>Unaccounted difference<sup>c</sup></b>	<b>6,568</b>	<b>0%</b>		
<b>Total</b>	<b>1,556,788</b>	<b>100%</b>	<b>1,556,788</b>	<b>100%</b>

<sup>a</sup> Environmental Releases from Wingecarribee to Warragamba are not included as inflow for the Total System although this release has been included as Inflow for the Warragamba System.

<sup>b</sup> Only Environmental Releases that leave the system boundary are included in the balance.

<sup>c</sup> Unaccounted for difference is estimated as the difference between inflows, outflows and change in the storage. This includes river evaporation, seepage, overbank flow, theft and any measurement errors recording other components.

<sup>194</sup> Accessed from SCA's website on 5 March 2009, [http://www.sca.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0008/2015/WaterBalance0607.pdf](http://www.sca.nsw.gov.au/__data/assets/pdf_file/0008/2015/WaterBalance0607.pdf).

## C Recommendations of the 2007 Audit of the Sydney Drinking Water Catchment<sup>195</sup>

The following recommendations were made in DECC's 2007 audit of the Sydney drinking water catchment (Catchment), undertaken in accordance with the *Sydney Water Catchment Management Act 1998*.

### Raw water quality

- ▼ The operator and regulator(s) of the sewage treatment systems in the Catchment should continue efforts to reduce current levels of nutrient loads discharged into the Catchment.
- ▼ SCA should continue the process of understanding the causes of the 'high' incidences of algae in the water storages of the Kangaroo River (priority), Wingecarribee River (priority) and Lake Burragorang sub-catchments, to help ensure that specific management strategies are in place for the short, medium and long-term in each sub-catchment.
- ▼ SCA should investigate the causes of the continued presence of pathogens in the Nattai River and in the Wollondilly River, Mid Coxs River and Werriberri Creek (priority) sub-catchments.
- ▼ SCA should undertake sampling for the presence of pathogens in the Kangaroo River (priority) sub-catchment.

### Managing water resources

- ▼ DWE should work with stakeholders to complete a Water Sharing Plan that covers the Catchment as soon as practicable.

### Land condition

- ▼ SCA, DECC and CMAs (Catchment Management Authorities) should undertake programs that address soil erosion and salinity in the areas with identified and observed risk, and integrate them with other programs for riparian and vegetation management where possible.

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<sup>195</sup> NSW Department of Environment and Climate Change (DECC), *2007 Audit of the Sydney Drinking Water Catchment*, Report to the NSW Minister for Climate Change, Environment and Water, 2007, pp 132-133.

**Ecosystem health**

- ▼ SCA should investigate the reasons and drivers for declines in both water quality and macroinvertebrate health in those regions where declines have been documented.
- ▼ SCA should review its water quality monitoring and macroinvertebrate sampling programs to ensure that integrated ecosystem monitoring is undertaken in all sub-catchments.
- ▼ SCA should undertake follow-up monitoring at macroinvertebrate monitoring locations that have significantly impaired or severely impaired AusRivAS ratings.

**General**

- ▼ The frequency of the Audit should be changed to every three years from 2009 to align with State of the Environment (SoE) and Monitoring, Evaluation and Reporting (MER) timeframes.
- ▼ Opportunities for the development of common or complementary indicators between the Audit SoE and MER reporting processes should be examined.
- ▼ SCA, DECC and CMAs should continue to work to establish a spatial information system to track and record information on all ground works being undertaken or funded by Government for the purposes of water quality and ecosystem health management in the Catchment.

## D SCA's compliance with its operating licence over 2007/08<sup>196</sup>

IPART employed a risk-based approach for the 2007/08 audit of SCA's compliance with its operating licence. This meant that only clauses assessed as having high risks associated with non-compliance were included in the audit scope. Other clauses were subject to audit review, which required SCA to provide IPART with a statement of compliance together with evidence or an outline of compliance.

The grades used in the 2007/08 audit of SCA's compliance with its operating licence are listed in Table D.1

**Table D.1 SCA operating licence audit compliance grade (2007/08)**

Compliance Grade	Description
Full Compliance	All requirements of the condition have been met.
High Compliance	Most requirements of the condition have been met with some minor technical failures or breaches.
Moderate Compliance	The major requirements of the condition have been met.
Low Compliance	Key requirements of the condition have not been met but minor achievements regarding compliance have been demonstrated.
Non Compliance	The requirements of the condition have not been met.
Insufficient Information	Relevant, suitable or adequate information to make an objective determination regarding compliance was not available to the auditor.
No Requirement	The requirement to comply with this condition does not occur within the audit period or there is no requirement for the utility to meet.

Overall, the auditor found that SCA achieved predominantly Full Compliance with the audited sections of its operating licence.

More specifically:

- ▼ Full Compliance was achieved for most of the audited clauses relating to **Bulk Raw Water Quality**. Out of twenty-five clauses, SCA was awarded Full Compliance for twenty two and High Compliance for three.
- ▼ Full Compliance was achieved for all audited clauses relating to **Catchment Management and Protection**.

<sup>196</sup> IPART, *Sydney Catchment Authority Operational Audit 2007/08, Report to the Minister*, December 2008, pp 1 – 5.



D SCA's compliance with its operating licence over  
2007/08

- ▼ Full Compliance was achieved for most of the audited clauses relating to **Management of Catchment Infrastructure Works and Water Conservation**. Of the seven clauses, SCA was awarded Full Compliance for five and High Compliance for two.

In addition, SCA provided evidence of compliance with all of the operating licence conditions not subject to audit.

The full report on the 2007/08 audit of SCA's performance against its operating licence is available at IPART's website: [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

## E | Weighted Average Cost of Capital (WACC)

There are several approaches for calculating the return on capital on the regulatory asset base (RAB). IPART's preferred approach is to use the weighted average cost of capital (WACC) to determine an appropriate range for the rate of return. A point estimate of the WACC is then selected from this range. The WACC for a business is the expected cost of the various classes of capital (debt and equity), weighted to take into account the relative share of debt and equity in the total capital structure. As with previous determinations, IPART has used a real pre-tax WACC.<sup>197</sup>

There are a number of input parameters to consider in determining an appropriate WACC range. The risk free rate, inflation adjustment and debt margin are dependent on current market rates. The market risk premium, tax rate and dividend imputation factor do not vary with the nature of the business. However, the equity beta, capital structure and debt margin vary with the nature of the business.

In the draft determination, IPART calculated a rate of return of 7.0 per cent, which was based on market conditions to 14 January 2009. For the final determination, IPART has updated its estimate of the rate of return to reflect market conditions averaged for the 20 days to 27 March 2009. On the basis of the updated market data and its decision to update its approach to calculating the debt margin and inflation adjustment, IPART has determined that the rate of return for the final determination is 6.5 per cent. In making this determination, IPART considered the views of SCA, current regulatory and financial practice, its previous decisions and its own analysis. The parameters used in the draft and final decisions are shown in Table E.1 below.

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<sup>197</sup> The real pre-tax formula is presented in: IPART, *Bulk Water Prices for State Water Corporation and Water Administration Ministerial Corporation from 1 October 2006 to 30 June 2010 – Final Report*, September 2006, Appendix D.

**Table E.1 SCA: draft and final decisions on the rate of return and the parameters IPART used to calculate the WACC**

WACC parameter	Draft decision	Final decision
Nominal risk free rate	4.2% <sup>a</sup>	4.3% <sup>b</sup>
Real risk free rate	2.8% <sup>a</sup>	NA <sup>c</sup>
Inflation adjustment	1.3% <sup>a</sup>	2.5% <sup>b</sup>
Market risk premium	5.5% - 6.5%	5.5% - 6.5%
Debt margin	1.2% - 3.6% <sup>a</sup>	2.8% - 3.5% <sup>b</sup>
Debt to total assets	60%	60%
Dividend imputation factor (gamma)	0.5 - 0.3	0.5 - 0.3
Tax rate	30%	30%
Equity beta	0.8 - 1.0	0.8 - 1.0
Cost of equity (nominal post-tax)	8.6% - 10.7%	8.7% - 10.8%
Cost of debt (nominal pre-tax)	5.4% - 7.7%	7.1% - 7.8%
WACC range (real pre-tax)	5.9% - 8.6%	5.7% - 7.5%
WACC (real pre-tax) point estimate	7.0%	6.5%

<sup>a</sup> Reflects market data averaged for the 20 days to 14 January 2009.

<sup>b</sup> Reflects market data averaged for the 20 days to 27 March 2009.

<sup>c</sup> The real risk free rate is not necessary in this calculation when using swap market data to derive the inflation adjustment.

IPART's decisions on its approach to the WACC and each of the WACC parameters are discussed below.

### E.1 IPART's past WACC decisions

Table E.2 below shows the final parameters adopted by IPART in the 2008, 2005 and the 2003 metropolitan water decisions, the 2006 bulk water decision, the 2007 electricity decision and, more recently, the 2008 CityRail decision.

## E Weighted Average Cost of Capital (WACC)

**Table E.2 Rate of return parameters – past decisions**

Parameter	2008 CityRail	2008 Sydney Water	2007 Electricity retail	2006 Bulk water	2005 Metro water	2003 Metro water
Nominal risk free rate	5.2%	6.1%	5.9%	5.8%	5.2%	5.1%
Real risk free rate	2.5%	2.4%	2.7%	2.4%	2.6%	2.9%
Inflation	2.7%	3.6%	3.1%	3.3%	2.5%	2.2%
Market risk premium	5.5 - 6.5%	5.5 - 6.5%	5.5 - 6.5%	5.5 - 6.5%	5.5 - 6.5%	5.0 - 6.0%
Debt margin	2.9 - 6.0%	3.1 - 3.7%	1.0 - 1.3%	1.1 - 1.3%	1.2 - 1.3%	0.7 - 1.0%
Debt to total assets	60%	60%	30 to 40%	60%	60%	60%
Dividend imputation factor (gamma)	0.5 - 0.3	0.5 - 0.3	0.5 - 0.3	0.5 - 0.3	0.5 - 0.3	0.5 - 0.3
Tax rate	30%	30%	30%	30%	30%	30%
Equity beta	0.8 - 1.0	0.8 - 1.0	0.8 - 1.2	0.8 - 1.0	0.8 - 1.0	0.65 - 0.90
WACC range (real pre-tax)	6.5 - 9.7%	6.8 - 8.4%	7.2 - 9.9%	5.5 - 6.9%	5.7 - 7.1%	5.2 - 6.7%
<b>WACC (real pre-tax point estimate)</b>	<b>7.2%</b>	<b>7.5%</b>	<b>8.6%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>5.6%</b>

As can be seen from Table E.2, there has been a relatively wide variation in the WACC range that IPART has determined over the years. This is not surprising, given that some parameters are based on market observations and consequently reflect prevailing market conditions at the time of the decision. IPART considers that there is merit in maintaining a consistent approach to the calculation of the cost of capital across regulatory decisions. Table E.2 highlights a very high degree of consistency for parameters that are not directly observable from market data. Such inter-temporal consistency reduces regulatory risk and its associated costs. Hence, there is a presumption that unless an alternative approach to the calculation of a WACC parameter is demonstrated to be clearly superior, the existing approach should be maintained.

## E.2 Issues Paper

In July 2008, IPART released an issues paper setting out its preliminary position on its approach to calculating an appropriate rate of return to apply to SCA's RAB.<sup>198</sup> IPART proposed to maintain its existing approach of using the real pre-tax WACC and selecting a point estimate for the WACC from a range. IPART indicated that the capital asset pricing model (CAPM) has been used to derive the cost of equity, and the cost of debt has been calculated as a margin over the risk free rate.

## E.3 SCA's original submission

SCA's September 2008 submission proposed a real pre-tax WACC of at least 7.5 per cent; the rate of return determined by IPART for Sydney Water in its 2008 determination. The parameters used in this determination are shown in Table E.2.

According to SCA:

...while initiatives such as the desalination plant will help secure Sydney's water supply, they do not serve to reduce SCA's systematic risk. The SCA is heavily reliant on sales to Sydney Water. Any variability in its sales to Sydney Water consequent to future operation of the desalination plant will have a major impact on the SCA's revenue, as evidenced in the price path ahead. Accordingly, the SCA believes that its rate of return should be at least equal to that determined for Sydney Water (subject to variation in the underlying market interest rates).<sup>199</sup>

SCA acknowledged that:

...market based parameters including the risk free rate, inflation and debt margin will need to be updated at the time of the SCA's Final Determination to reflect prevailing market conditions and potential changes in methodology to reflect current regulatory practice."<sup>200</sup>

## E.4 IPART's draft decision

In March 2009, IPART released its draft determination and report for SCA, which applied a real pre-tax WACC of 7.0 per cent to SCA's RAB. IPART determined this value by creating a range using the parameters shown in Table E.1 and by selecting a point within this range after considering the views of SCA, current regulatory and financial practice, its previous decisions, section 15 of the IPART Act and its own analysis.

For the draft determination, IPART selected a point estimate that was just below the midpoint in the range to balance the objectives of section 15 of the IPART Act.

<sup>198</sup> IPART, *Review of prices for the Sydney Catchment Authority from 1 July 2009 - Issues Paper*, July 2008.

<sup>199</sup> SCA submission, September 2008, pp 35-36.

<sup>200</sup> Ibid, p 56.

E Weighted Average Cost of Capital (WACC)

### E.5 Stakeholder submissions to the draft decision

In response to the draft determination and report, SCA's submission provided detailed comments on IPART's draft position on the appropriate rate of return.<sup>201</sup> SCA's submission commented particularly on IPART's approach to:

- ▼ estimating the WACC point estimate and the resulting value of the WACC
- ▼ estimating the debt margin and the resulting range of values of the debt margin.

These issues are addressed in the relevant sections below. No other stakeholders commented on the rate of return.

### E.6 IPART's analysis and decision

#### Approach to calculating the WACC

#### Decision

- 13 IPART's decision is that for the purposes of calculating the allowance for a return on assets, a real pre-tax WACC of 6.5 per cent will be applied to the RAB.

IPART's finding is that for the purposes of calculating the allowance for a return on assets, a real pre-tax WACC of 6.5 per cent will be applied. This finding reflects IPART's view that an appropriate rate of return is in the range of 5.7 per cent to 7.5 per cent. A range has been constructed in recognition of the uncertainty of calculating the WACC, particularly the market risk premium, debt margin, equity beta and the dividend imputation factor (gamma). The midpoint has been selected for the final decision.<sup>202</sup>

IPART's decision maintains the approach of the draft determination whereby the weighted average cost of capital of a benchmark Australian water utility is applied to SCA's RAB.

The parameters IPART used to calculate this WACC range are shown in Table E.1 and were based on market conditions averaged over the 20 days to 27 March 2009. There has been some volatility in financial markets between the draft and final determinations that has had some effect on the value of market-based parameters. This is one factor that has led to a 50 basis point difference between the draft and final determinations. The other factor resulting in this reduction is the change in the

<sup>201</sup> SCA submission, April 2009.

<sup>202</sup> The midpoint is calculated on the basis of the midpoint of the range for each parameter. Because the formula is non-linear, the calculated midpoint is not necessarily the midpoint of the range of the WACC.

methodology to calculate the implied inflation<sup>203</sup>, consistent with the approach described in IPART's discussion paper.<sup>204</sup>

These effects have been mitigated by IPART's decision to:

- ▼ exclude a bond with a short term to maturity from its selection of proxies for the debt margin
- ▼ select the midpoint of the range.

As previously noted, a key consideration of IPART is the objective of consistency between regulatory decisions over time. IPART considered this when evaluating alternative approaches to determining an appropriate rate of return.

SCA's April 2009 submission commented on IPART's general approach to setting the WACC and the resulting value. Specifically, SCA provided comment on the selection of a point below the midpoint of the range, the resulting point estimate compared to other determinations, and principles to consider when setting the WACC.

SCA's submission noted that IPART departed from the midpoint of the range after considering and assessing section 15 of the IPART Act in making its draft determination. SCA argues that section 15 considerations can only justify a movement below the midpoint of the range when there is evidence that the midpoint would result in inappropriate social outcomes. IPART agrees that the impacts of price decisions on the agency and customers should be well-understood and carefully considered. For the final decision, IPART has carefully balanced a range of competing objectives in selecting its point estimate in the range. IPART considers that it is appropriate to adopt the midpoint for the final decision.

SCA noted that the resulting point estimate for the draft decision was 50 basis points below the WACC determined for Sydney Water in 2008. SCA considers that this is inconsistent with current economic conditions. IPART calculated the range for the WACC in the draft determination using the same approach as was used in the Sydney Water determination in 2008. The difference is due to volatility in the market data and IPART's selection of a point estimate within the range. The final decision recognises that there may be problems in the underlying market data by removing a bond with a short term to maturity (the AGL bond, discussed in the 'debt margin' section below) and by relying on swap market data to calculate the inflation adjustment rather than problematic market data (discussed further in the 'nominal risk free rate and inflation' section below).

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<sup>203</sup> Note that this decision had a downward effect on the WACC range in this particular instance. This may not be the case in future decisions, as the values are dependent on underlying market data at the time of the determination.

<sup>204</sup> IPART, *Adjusting for expected inflation in deriving the cost of capital— Discussion Paper*, February 2009.

#### E Weighted Average Cost of Capital (WACC)

SCA's submission sets out some principles in selecting a rate of return. According to SCA, the WACC should:

- ▼ be sufficient to meet SCA's underlying cost of funds
- ▼ not threaten the long-term viability of the business
- ▼ provide appropriate incentives for future investment.

IPART considers that SCA's proposed principles are consistent with the principles adopted in determining an appropriate rate of return for all of IPART's pricing decisions. IPART's draft and final decisions estimate the weighted average cost of capital of a benchmark Australian water utility to apply to SCA's RAB. Therefore, the decisions should provide appropriate incentives for future investment. Further, IPART assesses the financial viability of the businesses it regulates by conducting a credit rating analysis (see Chapter 9).

The remainder of this appendix details IPART's considerations in relation to the individual parameters.

#### Nominal risk free rate and inflation

##### Decision

- 14 IPART's decision is to apply the following parameters for the purpose of calculating the rate of return to apply for SCA:
- a nominal risk free rate of 4.3 per cent based on the 20-day average of nominal Commonwealth Government bonds to 27 March 2009
  - an inflation adjustment of 2.5 per cent based on the 20-day average of swap market data to 27 March 2009.

The risk free rate is used as a point of reference in determining both the return on equity and the cost of debt within the WACC. In both the CAPM and cost of debt calculation, the risk free rate is the base to which is added a premium or margin reflecting the risk profile of the specific business for which the rate of return is being derived.

In its draft decision, IPART used the 20-day average yield on the 10-year Commonwealth Government bond for the risk free rate. It determined the long-term inflation forecast by using the difference between the nominal and real risk free rates, with the real risk free rate being measured as the 20-day average yield in indexed government bonds with a 20 basis points adjustment for a potential bias in real yields. This adjustment was made in recognition of evidence of a bias in the indexed government bond market due to severe shortages of supply. This was done after



considering evidence from NERA<sup>205</sup>, the Allen Consulting Group (ACG)<sup>206</sup>, the Reserve Bank of Australia (RBA) and the Australian Treasury.<sup>207</sup>

IPART recognises that there are a number of problems with using Commonwealth Government bond yields to estimate inflation for the purposes of calculating the WACC:

- ▼ the Australian Office of Financial Management has indicated that there will be no further issues of indexed bonds
- ▼ there is a potential bias in real Commonwealth Government bond yields due to supply constraints.

In response to these significant problems, IPART released a discussion paper in February to investigate alternative approaches to calculating the implied inflation forecast.<sup>208</sup> In particular, this paper sought comment on a methodology whereby the inflation adjustment is estimated using data from the zero-coupon inflation-linked swap market. IPART has received submissions from Sydney Water Corporation<sup>209</sup>, Australian Rail Track Corporation (ARTC)<sup>210</sup> and NSW Treasury<sup>211</sup> on the proposed alternative approach.

Sydney Water states that, while it is not well-placed to assess the merits of the alternative approaches in the discussion paper, it recognises that there is unprecedented volatility in the market data. Sydney Water considers that IPART should base its estimates of inflation on all evidence available, including economists' forecasts of inflation.

Synergies (on behalf of ARTC) submits that "expected inflation should be estimated based on forecasts of the RBA [Reserve Bank of Australia]. This is done by taking a long-term (10-year) average, based on their most recent forecasts for inflation for the first two years and then the mid-point of their target range beyond this."<sup>212</sup>

NSW Treasury submits that it does not have any specific concerns regarding IPART's proposed methodology. It notes that if IPART continues using a real rate of return, further analysis of a potential downward bias in nominal Commonwealth

<sup>205</sup> NERA, *Bias in inflation-indexed CGS yields as a proxy for the CAPM risk-free rate*, March 2007; NERA, *Absolute bias in (nominal) Commonwealth Government Securities*, June 2007.

<sup>206</sup> ACG, *Relative bias of inflation indexed CGS yields as a proxy for the CAPM risk-free rate*, July 2007.

<sup>207</sup> Australian Treasury, *The Treasury bond yield as a proxy for the CAPM risk-free rate*, Letter to the ACCC, August 2007.

<sup>208</sup> IPART, *Adjusting for expected inflation in deriving the cost of capital*, Discussion Paper, February 2009.

<sup>209</sup> Letter from Sydney Water Corporation, *Adjusting for expected inflation in deriving the cost of capital*, 9 April 2009.

<sup>210</sup> Submission from Synergies on behalf of ARTC, *Adjusting for Expected Inflation: Submission to IPART*, April 2009.

<sup>211</sup> NSW Treasury, *Adjusting for expected inflation in deriving the cost of capital – NSW Treasury Response*, April 2009.

<sup>212</sup> Submission from Synergies on behalf of ARTC, *Adjusting for Expected Inflation: Submission to IPART*, April 2009.

E Weighted Average Cost of Capital (WACC)

Government bonds should be undertaken before implementing alternative approaches in estimating the real risk free rate.

IPART released its final decision on the issue of the inflation adjustment in May. This contained IPART's full considerations on the issue. Consistent with the final decision on the inflation adjustment, IPART has adopted the methodology of estimating the inflation adjustment using data from the zero-coupon inflation-linked swap market. IPART considers that relying on swap market data has several advantages over other options:

- ▼ unlike the use of economists' forecasts, it is based on market observations, and is therefore objective, repeatable and transparent and does not require the subjective selection of data
- ▼ unlike the methodology of using the difference between real and nominal government bonds, it does not require an arbitrary adjustment for biases in the market data
- ▼ unlike the methodology of using the difference between real and nominal government bonds, it overcomes the practical problem of the Australian Office of Financial Management indicating that there will be no further issues of indexed bonds<sup>213</sup>
- ▼ the calculation of the real risk free rate is not required when using this methodology.

The inflation adjustment resulting from the swap market is 2.5 per cent for this determination. This result is broadly consistent with official forecasts and targets of the Reserve Bank of Australia, although movements in the swap market may lead to results that vary in other determinations.

IPART has maintained the approach used in the draft determination to determine the nominal risk free rate, updated for changes in market conditions.

As at 27 March 2009, the 20 day average of the yield on nominal Commonwealth Government bonds and the inflation adjustment from swap market data is shown in Table E.3.

**Table E.3 Risk free rate and inflation adjustment**

Parameter	Value
Nominal risk free rate	4.3%
Expected inflation	2.5%

**Source:** Australian Financial Review, Bloomberg and IPART analysis.

<sup>213</sup> IPART notes that there has been speculation that the Australian Office of Financial Management may issue further indexed bonds. If this is the case, and if the issue overcomes supply issues in the market, IPART may reconsider its previous approach of deriving a forecast of inflation using the difference between the yield on nominal and real Commonwealth Government bonds.

### Debt margin

#### Decision

- 15 IPART's decision is to adopt a debt margin range of 2.8 per cent to 3.5 per cent based on market observations as at 27 March 2009.

The debt margin represents the cost of debt a company has to pay above the nominal risk free rate. The debt margin is related to current market interest rates on corporate bonds, the maturity of debt, the assumed capital structure and the credit rating.

In the draft decision, IPART based its range for the debt margin on 20-day averages of fair value yield curve data obtained for BBB rated Australian corporate bonds with a maturity of 10 years, as well as actual bond yields for BBB and BBB+ rated securities. The draft decision included an allowance of 12.5 basis points for debt raising costs.

In response to IPART's draft determination, SCA provided comment on the debt margin.<sup>214</sup> SCA queried the source of data, the selection of proxies and the resulting range of values. These issues are considered below.

IPART's draft decision sourced the data underpinning the range for the debt margin from Bloomberg rather than CBASpectrum. SCA submit that "the fair value yields reported by Bloomberg and CBASpectrum have widened considerably in recent months", with Bloomberg yields now lower than the yields of CBASpectrum. SCA propose that IPART conduct further analysis on both approaches before changing the source of the data due to the material impact on debt margin outcomes.

As noted in the draft decision, IPART obtained actual and fair value yields from Bloomberg as CBASpectrum has discontinued its service to some non-bank customers including IPART.<sup>215</sup> SCA has not proposed a practical alternative to address the problem of accessing the CBASpectrum service. IPART also notes that:

- ▼ Bloomberg is accepted by Australian banks and businesses seeking to raise funds in the equity and debt capital markets as well as other Australian regulators to be an appropriate source of data
- ▼ there is no evidence that Bloomberg consistently understates yields or is biased.

Therefore, IPART maintains its draft position that it is appropriate to source data from Bloomberg.

SCA also submits that "it is appropriate to determine [the] debt margin with reference to BBB to BBB+ credit spreads across the entire market, rather than limiting debt margin analysis to any particular sector."<sup>216</sup>

<sup>214</sup> SCA submission, April 2009, pp 11-14.

<sup>215</sup> IPART, *Review of prices for the Sydney Catchment Authority from 1 July 2009 to 30 June 2012 – Draft Report*, March 2009, p 113.

<sup>216</sup> SCA submission, April 2009, p 13.

## E Weighted Average Cost of Capital (WACC)

As noted in previous reports<sup>217</sup>, IPART has conducted preliminary analysis on the measurement of the debt margin. This was in response to concerns that market conditions in the Australian corporate bond market may not reflect the actual cost of debt a utility would face in a competitive market.

The analysis conducted in the CityRail final determination highlighted the extent of the volatility in the yield on corporate debt resulting from the current financial crisis. Yields prior to the middle of 2007 were fairly stable. Since then, a re-pricing of risk has become evident, particularly with regards to:

- ▼ industry-specific issues (property and financial services) and
- ▼ business-specific issues (mainly debt and its refinancing).

IPART has updated this research as part of a discussion paper on approaches to calculating the debt margin.<sup>218</sup> IPART's updated analysis for this discussion paper confirms its earlier findings that utility issued bonds may provide a commercial debt margin that more closely matches the risk profile of the businesses that IPART regulates and is more consistent with historical averages.

In the draft and final determination, IPART had regard to both the traditional set of proxies as well as a set of utility-specific bonds. However, the debt margin was set with reference to the traditional approach, whereby the range for the debt margin is based on 20-day averages of fair value yield curve data obtained for BBB rated Australian corporate bonds with a maturity of 10 years, as well as actual bond yields for BBB and BBB+ rated securities. For the final determination, the same set of actual BBB and BBB+ corporate bonds has been used as in the draft determination, except for the exclusion of the AGL bond (discussed below). As for the draft determination, IPART's final decision includes an allowance of 12.5 basis points in the debt margin in recognition that debt raising and debt refinancing costs are costs above the debt margin that businesses incur in competitive markets.

The 20-day average debt margins generated using IPART's traditional methodology (excluding the AGL bond) and the debt margin based on a portfolio of utility-issued bonds are presented in Table E.4. For future price determinations, IPART will consider adopting the alternative methodology after considering feedback from stakeholders on its discussion paper, which was released in May.<sup>219</sup>

<sup>217</sup> IPART, *Review of CityRail fares, 2009-2012, Final Report*, December 2008, Appendix G; IPART, *Review of prices for the Sydney Catchment Authority from 1 July 2009 to 30 June 2012 – Draft Report*, March 2009, Appendix E.

<sup>218</sup> IPART, *Estimating the debt margin for the weighted average cost of capital*, May 2009.

<sup>219</sup> Ibid.

**Table E.4 Debt margins at 27 March 2009**

	Lower bound	Upper bound
Traditional methodology	2.8%	3.5%
Utility issued bonds only	1.6%	3.5%

**Note:** Includes 12.5bp debt raising costs.

**Source:** Bloomberg and IPART analysis.

SCA's submission notes that the lower bound of the debt margin range in the draft decision is lower than credit spreads on AAA rated 10-year TCorp bonds. SCA query the proxies used in determining this range. IPART's draft decision used the same set of BBB and BBB+ rated corporate bonds as the final decision for Sydney Water in 2008. However, IPART has recognised that one of the proxies, the AGL bond, is due to mature in September this year. Observations of the AGL bond set the lower bound for the debt margin. IPART has further considered the composition of the portfolio of bonds referenced in making the draft determination. Due to its short term to maturity, IPART has excluded the AGL bond for this decision as its yield is not likely to be representative of the yield of 10-year corporate debt. The range for the final decision was set with regards to the same corporate and fair yield bonds as used in the draft decision, excluding the AGL bond.

SCA's response to the draft decision also compares the value of the debt margin range with other decisions, noting that the midpoint of the range is 205 basis points lower than that determined by IPART for CityRail in December 2008.<sup>220</sup> IPART considers that removing the AGL bond addresses this issue to an extent. However, as the methodology used for the draft decision is the same as that used for the CityRail determination (and the 2008 Sydney Water determination), the values are largely dependent on volatility in market conditions. IPART has recognised that volatility in corporate bond markets is an emerging problem in regulatory decisions. IPART's recently released discussion paper on the debt margin will attempt to resolve this issue, amongst others. For the purposes of the decision, IPART has adopted a debt margin in the range of 2.8 per cent to 3.5 per cent (see Table E.1 and Table E.4).

### Equity beta

#### Decision

- 16 IPART's decision is to adopt an equity beta of 0.8 to 1.0 for the purpose of calculating the rate of return to apply for SCA.

The equity beta value is a business-specific parameter that measures the extent to which the return of a security varies in line with the return of the market. It represents the systematic or market-wide risk of an asset that cannot be avoided by holding the assets as part of a diversified portfolio. It is important to note that the equity beta does not take into account business-specific or unsystematic risks.

<sup>220</sup> SCA submission, April 2009, p 12.

## E Weighted Average Cost of Capital (WACC)

In its draft decision, IPART valued equity beta in a range of 0.8 to 1.0. Table E.2 shows that this value is consistent with values adopted in previous decisions. This range was adopted in the 2005 determination for SCA and in the 2008 determination for Sydney Water. A range has consistently been constructed, due to the inherent uncertainty in estimating the equity beta.

IPART notes that new evidence has caused other Australian regulators to revise their established valuations for equity beta:

- ▼ The Australian Energy Regulator's (AER) final decision of its review of the WACC parameters for electricity transmission and distribution businesses has valued equity beta at 0.8.
- ▼ In its final decision on the Gas Access Arrangement Review 2008-2012, the Essential Services Commission of Victoria valued equity beta at 0.7. This decision included a transitional mechanism, which effectively allowed an equity beta of 0.8.

IPART does not consider that it is appropriate to change its approach to valuing the equity beta at this late stage of the review. However, for future determinations it will consider the new evidence that has emerged from the AER's review.

Given that it is likely that SCA faces a similar level of systematic risk to that of Sydney Water, and in the interest of achieving consistency between regulatory decisions, IPART considers that a range of 0.8 to 1.0 is an appropriate valuation of the equity beta for this determination.

### Capital structure, tax rate and dividend imputation factor (gamma)

#### Decision

- 17 IPART's decision is to adopt the following parameters for the purpose of calculating an appropriate rate of return to apply for SCA:
- debt to total assets of 60 per cent
  - tax rate of 30 per cent (statutory tax rate)
  - dividend imputation factor of 0.5 to 0.3.

When determining the level of gearing used to calculate the WACC, IPART adopts a benchmark capital structure, rather than the actual financial structure, to ensure that customers will not bear the cost associated with an inefficient financing structure. Another factor that needs to be considered is the dividend imputation factor (gamma). Under the Australian dividend imputation system, investors receive a tax credit (franking credit) for the company tax they have paid. This ensures that the investor is not taxed twice on their investment returns (ie, once at the company level and once on the personal tax level).

## E Weighted Average Cost of Capital (WACC)

The value of the imputation tax credits is represented in the CAPM by 'gamma'. The rationale behind this, including the value of gamma in the CAPM, is that as investors are receiving a tax credit from their investment, they would accept an investment with a lower return than if there were no tax credits attached to this investment. The gamma is an important input in the CAPM, as a high value (valued at or approaching one) would reduce the cost of capital considerably.

As Table E.2 shows, IPART's preference for debt to total assets and tax rate parameters has been the benchmark capital structure value and the prevailing company statutory tax rate, respectively. In establishing what value to assign to gamma, IPART has reviewed a number of independent expert reports and academic studies that have consistently shown that there is no conclusive evidence on the exact value that investors attach to imputation tax credits.

The draft determination adopted a range of 0.5 to 0.3 for the value of gamma, set the level of gearing at 60 per cent and assumed a tax rate of 30 per cent. In response, no submissions were received on these parameters.

IPART notes that since its draft determination, the AER has released its final decision on its review of the WACC parameters for electricity transmission and distribution businesses, which valued gamma at 0.65. However, for this determination, IPART does not consider that it is appropriate to change its approach to valuing gamma.

For this final determination, IPART has maintained the draft determination's values for capital structure, tax rate and dividend imputation factor.

#### Market risk premium (MRP)

##### Decision

18 IPART's decision is to adopt an MRP range of 5.5 to 6.5 per cent for the purpose of calculating an appropriate rate of return to apply for SCA.

The market risk premium (MRP) represents the additional return over the risk free rate of return that an investor requires for the risk of investing in a diversified equity portfolio.

In its most recent decisions, IPART has maintained an MRP range of 5.5 to 6.5 per cent (see Table E.2). For the draft determination, IPART adopted a value within this range. For this final determination, IPART has maintained the draft determination's value of 5.5 to 6.5 per cent.

Since IPART made its draft decision, the AER released its final decision on its review of the WACC parameters for electricity transmission and distribution businesses, which determined an MRP value of 6.5 per cent. However, for this determination, IPART does not consider that it is appropriate to change its approach to valuing the MRP.



## F Pricing that depends on dam levels

Economic theory and empirical evidence show that when a resource is scarce, its market price will rise (and vice-versa). This relationship is important for ensuring that demand and supply for the resource are in balance over time and that economic welfare is maximised. It does this by:

- ▼ ensuring that the resource is allocated to its highest value uses
- ▼ providing incentives to consumers of the resource to reduce consumption in times of scarcity – eg, by innovating, developing technology, changing behaviour or seeking out alternatives so that less of the scarce, more costly resource is required
- ▼ providing incentives to producers to develop means of increasing supply of the resource (or alternatives to it) in times of scarcity.

With this in mind, IPART is interested in possibly developing a form of ‘scarcity pricing’ for potential implementation at the 2012 SCA price determination. Under such a pricing approach, the price of water from SCA’s dams would vary inversely with dam levels (available supply). SCA’s prices to Sydney Water would rise when dam levels fall (ie, when dam water is scarce); and fall when dam levels rise (when dam water is plentiful) – thus prices would reflect the relative scarcity or value of SCA water under prevailing conditions. Notably, in contrast to other scarcity pricing proposals, IPART favours an approach that complements, rather than replaces, a regime of water restrictions.

A form of scarcity pricing could ultimately apply to retail prices (ie, Sydney Water’s prices to its customers). However, IPART is particularly interested in applying this pricing approach to wholesale water prices (ie, SCA’s prices to Sydney Water). The appeal of this approach to wholesale water pricing is that it has the potential to:

- ▼ provide incentives to Sydney Water to invest in water conservation and demand management measures, where efficient
- ▼ signal to Sydney Water when it is more appropriate to obtain water from sources other than SCA, and vice-versa
- ▼ provide signals to potential new suppliers of bulk water as to when it may or may not be viable for them to invest in new water supply infrastructure.



If a form of scarcity pricing were to be introduced at the retail level, IPART envisages that it would be applied at the margin, targeting discretionary water consumption only and operating to support the water restriction regime in equating water demand with supply.

Outlined below are more details on IPART's preliminary thoughts on a potential pricing model applicable to Sydney's water supply.

IPART will consider the issue of scarcity pricing further over the course of the 2009 determination period, including points raised by stakeholder submissions to the draft report (see section 8.2.3). It therefore remains interested in receiving stakeholder comments on this pricing option.

### **F.1 Scarcity pricing at the wholesale level**

To ensure that appropriate price signals are sent to bulk water consumers and other potential bulk water suppliers, and that SCA's water is used efficiently, the price of water from SCA's dams should reflect its scarcity value, as well as SCA's costs of water capture, storage and supply. This suggests that SCA's prices to Sydney Water should depend on SCA's dam levels – with higher prices during droughts when dam levels decline, and lower prices when water is in relative abundance and dam levels are high.

In the absence of a market determined price, IPART favours an administrative form of scarcity pricing, whereby IPART would set SCA's prices to apply at specified dam levels or determine a formula for the calculation of these prices. Under this arrangement, the relationship between SCA's volumetric water price and dam levels would depend, amongst other factors, on the adequacy of existing water storage infrastructure, the cost of augmenting water supplies and the importance that society places on not running out of essential water. As mentioned above, IPART considers that such a pricing regime should work alongside and complement, rather than replace, a water restriction regime.

Determining volumetric prices under such a scarcity pricing approach would require careful consideration. For illustrative purposes, a purely hypothetical example of a schedule of SCA's volumetric prices to Sydney Water is as follows:

- ▼ storage level below 40 per cent: \$600 per ML
- ▼ storage level between 40 and 50 per cent: \$400 per ML
- ▼ storage level between 50 and 70 per cent: \$300 per ML
- ▼ storage level above 70 per cent: \$245 per ML.

F Pricing that depends on dam levels

Consideration would also need to be given to the level of SCA's fixed charge to Sydney Water and how frequently this charge should be adjusted, taking into account SCA's revenue requirement as well as the intention of scarcity pricing to provide a price (or cost) signal to Sydney Water. Similarly, consideration may need to be given to mechanisms such as an 'unders and overs' account to manage any variations between SCA's revenue under a scarcity pricing model and its actual revenue requirement. IPART notes that any viable pricing option must allow SCA to recover its efficient costs of meeting the community's service and environmental standards.

#### The benefits of scarcity pricing at the wholesale level

IPART envisages that SCA's scarcity price schedule would operate in conjunction with the rules for the operation of Sydney Water's desalination plant, which are currently being developed by Government. These operating rules are expected to optimise the operation of the plant in relation to its primary role as a supplementary supply source in times of drought. Scarcity pricing could complement these operating rules by signalling to Sydney Water the point at which it is appropriate to draw on supply from the desalination plant, as opposed to additional water from SCA, and vice-versa.

A form of scarcity pricing could also signal to SCA when it is appropriate to pump water from the Shoalhaven, taking into account the cost to SCA of pumping this water and the revenue that it could receive by selling it to Sydney Water. For example, under scarcity pricing, SCA would have little incentive to pump water from the Shoalhaven when its dam levels are full (and its volumetric price to Sydney Water is low). Rather, to maximise the difference between Shoalhaven pumping costs and revenue received from sales of this water, it would have an incentive to pump water from the Shoalhaven when its dam levels are low (and its volumetric price to Sydney Water is high).

While acknowledging the dominant role that SCA is likely to continue to play in the provision of water, IPART considers that it is also important to recognise that Sydney is likely to increasingly have alternative sources of water supply. In addition to SCA's dams, desalination and the use of recycled water for non-potable purposes will become increasingly important. Some alternative sources of water are owned by Government, but others may be privately owned. In these circumstances, it is worth investigating the role that pricing can play in providing effective signals to both Sydney Water and potential new suppliers of bulk water, to ensure that Sydney's water needs are supplied at least cost to the community.

A pricing approach that takes into account dam levels has the potential to:

- ▼ Signal to Sydney Water the cost, based on prevailing conditions, of various water supply sources, thus helping to ensure that it obtains its necessary supply of water from the least cost combination of supply sources (ie, the optimal mix of desalination, recycled and dam water).

- ▼ Provide incentives to Sydney Water to invest in additional water conservation and demand management measures, where efficient.
- ▼ Provide signals to potential new suppliers of bulk water. For instance, if bulk water prices reflect dam levels and dam levels are relatively low over a sustained period, average bulk water prices will be higher, which may provide an incentive for new bulk water suppliers to enter the market.

Such a pricing approach can also act to reinforce the impact of water restrictions or defer or avoid the need for more severe restrictions. For instance, if variations in SCA's prices are not passed through to retail prices, Sydney Water would have an incentive to ensure that drought restrictions are effectively implemented and enforced so as to minimise its exposure to high SCA prices during periods of low dam levels and, over the longer term, to invest in drought-resistant supply options such as recycled water.

A pricing approach that varied SCA's volumetric price inversely with its dam levels could also mitigate sales risk to SCA. Presently, if SCA's sales are less than forecast when setting its volumetric price (eg, due to the effect of higher than forecast restriction levels in reducing water demand), it is at risk of under recovering its revenue requirement – particularly as its costs are mostly fixed. To date, this has acted to limit the extent to which IPART can increase SCA's volumetric charge at the expense of its fixed charge. Under a scarcity pricing approach, higher level water restrictions (as a result of low dam levels) will result in proportionally higher volumetric SCA prices. However, IPART recognises that the allocation of financial risk (between SCA, Sydney Water and water customers) arising from any new water pricing arrangements is an issue that requires further consideration.

## F.2 Scarcity pricing at the retail level

The above sections primarily consider how the price that SCA charges Sydney Water might change with dam levels. A separate question is whether Sydney Water's retail prices should also vary with SCA's dam levels to reflect the economic value of water. IPART notes that this does not necessarily need to occur, even if SCA's wholesale price to Sydney Water does vary with dam levels.

If a form of scarcity pricing were to be introduced at the retail level, IPART favours an approach that acts to support (rather than replace) water restrictions and which only targets discretionary levels of water consumption (to protect customers' essential levels of water consumption from significant price variations).

Under such a pricing model, prices for residential and non-residential levels of water consumption above non-discretionary or essential levels would be charged at a price that varies with dam levels (and Sydney Water's cost of bulk water purchases from SCA). A purely hypothetical example of Sydney Water's price schedule for discretionary levels of retail customer water consumption is as follows:

- ▼ storage level below 40 per cent: \$3.60 per kL

F Pricing that depends on dam levels

- ▼ storage level between 40 and 50 per cent: \$2.50 per kL
- ▼ storage level between 50 and 70 per cent: \$1.90 per kL
- ▼ storage level above 70 per cent: \$1.60 per kL.

As with SCA's wholesale prices, consideration would need to be given to the level of Sydney Water's fixed charges to its customers and the extent to which these should change over time, taking into account Sydney Water's costs and the price signal provided to customers by their water bills – as well as the potential for measures such as an 'unders and overs' account to manage any variations between Sydney Water's revenue and its costs.

#### The benefits of scarcity pricing at the retail level

Theoretically, the potential benefits of introducing a form of scarcity pricing at the retail level are that it would:

- ▼ reinforce the impact of drought water restrictions or defer or avoid the need for more severe restrictions – as Sydney Water's usage prices for discretionary levels of water consumption would be higher during times of low dam levels and high water restrictions
- ▼ provide an indication of the scarcity value of water to end use consumers, meaning that they would have an incentive to reduce discretionary consumption when dam levels are low.

However, IPART notes that the implementation challenges of applying a form of scarcity pricing at the retail level (ie, Sydney Water's prices to its customers) are likely to be somewhat greater than merely applying this at the wholesale level (ie, SCA's prices to Sydney Water).

For instance, determining a 'discretionary' (or non-essential) level of water consumption to which scarcity pricing would apply, and establishing a price structure accordingly, can be problematic. In reality, the discretionary level of water consumption can vary across households (eg, with family size) and industry, and can also vary over time (eg, as a result of technological development in water saving measures). To be cautious, IPART would favour setting the level of discretionary consumption fairly low relative to total average household water consumption. However, this would mean that the scarcity price would only affect a relatively small component of retail consumption - which, added to the administrative costs involved in such a pricing approach, calls into question whether scarcity pricing is worth implementing at the retail level.

IPART also recognises that the natural volatility of dam inflows, combined with Sydney Water's current practice of issuing its bills quarterly, can create challenges in effectively applying scarcity pricing to retail prices. This is because by the time retail customer bills are issued, these bills could reflect past rather than existing (or expected future) dam levels, thus resulting in a disconnection between the price

signal received by retail customers (via receipt of their bills) and dam levels. This could lead to a scenario where retail customers face high prices, which reflect past, low dam levels – even though dams have subsequently filled and SCA water is in relative plentiful supply.<sup>221</sup>

### **F.3 IPART's preliminary position**

While recognising that there are a number of implementation issues to work through, IPART initially favours introducing a form of scarcity pricing at the wholesale level only (ie, SCA's prices to Sydney Water). This is primarily because of the potential benefits listed in section F.1. IPART also notes that water restrictions have been effective in reducing discretionary demand in times of drought (one of the main arguments for introducing scarcity pricing at the retail level), and that applying an acceptable form of scarcity pricing at the retail price level is likely to be more problematic than at the wholesale level.

Regardless, over the 2009 determination period, IPART is interested in receiving comments on the potential application of scarcity pricing in Sydney at the wholesale and/or retail level. It is particularly interested in stakeholders' views on the design and application of such as pricing model, implementation issues to be addressed and its potential advantages and disadvantages.

In considering this pricing option further, IPART will take into account points raised by stakeholders in response to the draft report (see section 8.2.3), as well as any other submissions received over the 2009 determination period.

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<sup>221</sup> Although IPART does also note that over time retail customers could become accustomed to a scarcity pricing regime and its relationship with bills. For example, the prevailing retail price could be published on Sydney Water's website or in the newspaper, so that customers have access to information on current prices (reflecting current dam levels), even though they might not receive an actual bill for their water consumption until several months later.

## G | Section 16A direction



**The Hon. Nathan Rees MP**

Minister for Emergency Services  
Minister for Water

2 - JUL 2008



Dr Michael Keating  
Chairman  
Independent Pricing and Regulatory Tribunal of NSW  
PO Box Q290  
QUEEN VICTORIA BUILDING NSW 1230

Dear Dr Keating

The Sydney Catchment Authority (SCA) manages its Accelerated Sewerage Program to fund the fast-tracking of upgrades of sewerage treatment plants in Sydney's drinking water catchments. The SCA has already spent or committed \$20 million over five years on these works, which further protect raw drinking water quality. The funding is included in the SCA's approved regulated price. The method of funding is by augmenting funds made available to councils for the upgrades through the Department of Water & Energy's (DWE's) Country Towns Water Supply and Sewerage Program.

I have directed the SCA, pursuant to section 11 of the *Sydney Water Catchment Management Act 1996*, to pay from its Accelerated Sewerage Program an additional \$17.7 million, plus GST, to DWE towards the cost of six sewerage treatment plant upgrades (Attachment 1).

Pursuant to Section 16A of the *Independent Pricing & Regulatory Act 1992*, I hereby direct that the Independent Pricing & Regulatory Tribunal, when it next determines the maximum price for the government monopoly services provided by the SCA, to include in the price an amount representing the efficient cost of the SCA complying with the requirement to fund the Sewerage Treatment Plan Upgrade Works as set out in my direction to the SCA.

I attach the contract between SCA and DWE, entitled *Accelerated sewerage program funding contract*, dated 15 April 2008, which includes the schedules of payments (Attachment 2).

Yours sincerely

The Hon. Nathan Rees MP  
Minister for Emergency Services  
Minister for Water

## H Output measures

As discussed in section 3.9, IPART has decided to develop output measures for the 2009 determination, as a starting point for the assessment of prudent expenditure at the next determination of SCA's prices.

These output measures are listed below. These have been developed after considering SCA's proposed output measures and WorleyParsons' advice on the 'criticality' of projects in SCA's forecast expenditure program.

### H.1 IPART's output measures

#### 1. Deliver a strategy for the future of the Upper Canal by June 2013

The Upper Canal, which currently transfers approximately 20 per cent of Sydney's water, consists of a series of tunnels, open canals and aqueducts built over 100 years ago. The canal design and age introduces risks to water quality, and limits the volume of water that can be transferred. In order to ensure both the reliability and quality of water supplied, the SCA will need to either undertake major refurbishment works or replace the canal structure.<sup>222</sup> Over the forthcoming determination period, SCA will undertake longer-term water supply system planning, including developing options for the replacement of the Upper Canal.

#### 2. Complete the Prospect Reservoir upstream embankment stabilisation upgrade by April 2013

This project is to comply with dam safety mandatory standards. The installation of a new raw water pumping station and the subsequent use of Prospect Reservoir as an emergency supply can lead to a drawdown of seven metres and poses stability risks for the upstream dam embankment. This project will result in stabilisation of this embankment.

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<sup>222</sup> SCA submission, September 2008, p 29.



H Output measures

**3. Complete the Warragamba Dam crest gates construction project by June 2011.**

This project involves:

- ▼ raising the radial gates to provide greater clearance for passing of flood waters
- ▼ improving drum and radial gate reliability and strength
- ▼ updating the drum and radial gate control system, and
- ▼ application of protective painting.

WorleyParsons notes that this is a critical dam safety requirement. The capacity to raise the radial gate and strengthen the facility provides greater protection against dam failure.

**4. Complete the Wingecarribee Dam safety upgrade project by June 2013**

This project comprises mandatory upgrades to dam safety to meet existing safety legislation.

**5. Complete the Upper Nepean environmental flows works project by April 2010**

The project, which is part of the NSW Government's Metropolitan Water Plan, requires SCA to undertake works to:

- ▼ Release 80/20 environmental flows from the Upper Nepean Dams (Cataract, Cordeaux and Nepean).
- ▼ To maximise the environmental benefits for the Nepean and Hawkesbury Rivers by enabling the passage of these flows and of fish past two water supply weirs (at Broughton Pass and Pheasants Nest) and 13 irrigation weirs downstream.

**6. Complete the Metropolitan Dams electrical systems upgrade project by April 2013**

This program comprises upgrades to meet mandatory Occupational Health and Safety standards.



## Glossary

2005 determination	<i>Sydney Water Corporation, Hunter Water Corporation, Sydney Catchment Authority – Prices of Water Supply, Wastewater and Stormwater Services, Final Determination and Report, September 2005 (Determination Nos 5, 6 and 7, 2005).</i>
2005 determination period	The period from 1 October 2005 to 30 June 2009, as set in the 2005 Determination.
2008 Sydney Water determination	<i>Review of prices for Sydney Water Corporation’s water, sewerage, stormwater and other services from 1 July 2008, June 2008 (Determination No 1, 2008).</i>
2009 determination period	The period commencing 1 July 2009
Act	<i>Sydney Water Catchment Management Act 1998</i>
ASP	Accelerated Sewerage Program
BWSA	Bulk Water Supply Agreement
Catchment	Sydney drinking water catchment
COAG	Council of Australian Governments
current determination period	The period from 1 October 2005 to 30 June 2009, as set in the 2005 Determination.
CPI	Consumer Price Index
DECC	NSW Department of Environment and Climate Change
determination	Price limits (maximum prices) set by IPART for a given period (determination period)
DWE	NSW Department of Water and Energy
GL	gigalitre
IPART	Independent Pricing and Regulatory Tribunal of NSW

## Glossary

IPART Act	<i>Independent Pricing and Regulatory Tribunal Act 1992</i>
kL	kilolitre
LRMC	Long Run Marginal Cost of supply
Minister	Minister for Water
ML	megalitre
MMA	McLennan Magasanik Associates
NPV	Net Present Value
P-nought adjustment	P-nought is the price at time nought, which is for the first year of the determination period. A p-nought adjustment allows prices to increase more sharply in the first year of the determination period than subsequent years, to reflect a step up in revenue requirement.
RAB	Regulatory Asset Base
REP	Regional Environmental Plan
SASPoM	Special Areas Strategic Plan of Management
SCA	Sydney Catchment Authority
SRMC	Short Run Marginal Cost of supply
Sydney Water	Sydney Water Corporation
upcoming determination period	the period commencing 1 July 2009
WICA	<i>Water Industry Competition Act 2006</i>
WACC	Weighted Average Cost of Capital
WorleyParsons	WorleyParsons Services Limited Pty Ltd
X-factor	The rate by which prices can rise or fall over a determination period to account for efficiency gains and/or significant changes in the operating environment (such as new environmental standards or customer service standards).

# PRIVATE ADVERTISEMENTS

## COUNCIL NOTICES

### ALBURY CITY COUNCIL

Roads Act 1993, Section 162

Road Naming

NOTICE is given that Albury City Council, in accordance of section 9(a) of the Roads Regulation 2008, has named the (3) roads at Thurgoona. The (3) Roads are in a subdivision at the northern end of Ava Avenue, Thurgoona. Names adopted:

Bullfrog Court, Owl Court and Sandpiper Court.

Mr LESLIE G. TOMICH, General Manager, Albury City Council, PO BOX 323, Albury NSW 2640. [4649]

### ALBURY CITY COUNCIL

Roads Act 1993, Section 162

Road Naming

NOTICE is given as required by section 9(a) of the Roads Regulation 2008, that Council has named the following roads:

- Berkley Lane
- Cambridge Drive
- Oxford Drive
- Princeton Court
- Stanford Court
- Harvard Place
- Yale Court
- Deakin Place
- Sturt Place
- Monash Place

These roads are located off Table Top Road Thurgoona. These roads are located on the south east side of Table Top Road and Williams Road intersection, Thurgoona. Mr LESLIE G. TOMICH, General Manager, Albury City Council, PO Box 232, Albury NSW 2640. [4650]

### ALBURY CITY COUNCIL

Local Government Act 1993

Notice Vesting Drainage Reserve

NOTICE is given that Albury City Council, in pursuance of section 50(4) of the Local Government Act 1993, has hereby vested the Drainage Reserve described in the Schedule below in its ownership. Mr LESLIE G. TOMICH, General Manager, Albury City Council, PO Box 323, Albury NSW 2640.

#### SCHEDULE

Lot 54, DP 14593 and Lot 55, DP 14593. [4651]

### BEGA VALLEY SHIRE COUNCIL

Tender No. 0909 – McCarthy House

BEGA VALLEY SHIRE COUNCIL is seeking tenders for McCarthy House, Princes Highway, Cobargo.

The works covered by the contract include:

1. Demolition and removal of McCarthy House and site cleanup, or
2. Demolition and removal of McCarthy House, site cleanup and excavation of site to prescribed levels, or
3. Demolition and removal of McCarthy House, site cleanup and excavation of site to prescribed levels and carpark construction to design specifications.

You can collect a copy of the tender documents from Council's office in Zingel Place, Bega, or phone Mark Neeson on (02) 64 99216.

Tenders will be accepted until the close of business on Wednesday, 8 July 2009 and can either be hand delivered to Council's office in Zingel Place, Bega, or mailed to McCarthy House, Tender Box, Bega Valley Shire Council, PO Box 492, Bega NSW 2550.

The lowest, or any tender will not necessarily be accepted. [4652]

### CAMPBELLTOWN CITY COUNCIL

Renaming and Naming of Roads

NOTICE is hereby given that Campbelltown City Council, in accordance with section 162 of the Roads Act 1993 and Clause 9 of the Roads Regulation 2008, has renamed the road formerly known as Archer Place, located off Longhurst Road at Minto, to Gawler Avenue and has also named the extension of this road, described as "Road 20.4 wide and var" on sheet 2 of DP 1135417, as Gawler Avenue. PAUL TOSI, General Manager, PO Box 57, Campbelltown NSW 2560. [4653]

### CITY OF CANTERBURY COUNCIL

Road Act 1993, Section 162

Naming of Public Roads

NOTICE is hereby given that the City of Canterbury Council in pursuance of section 162 of the Roads Act 1993 and the Roads (General) Regulation 2000, has renamed the following Road:

<i>Description</i>	<i>New Name</i>
That section of Belmore Road between Josephine Street, Riverwood and Canterbury Road, Riverwood.	Belmore Road North.

Authorised by resolution of the Council on 12 February 2009, J. MONTAGUE, PSM, General Manager, City of Canterbury Council, PO Box 77, Campsie NSW 2194.

[4654]

**GREAT LAKES COUNCIL**

Roads Act 1993, Section 162  
Roads (General) Regulation 2000  
Naming of Roads

NOTICE is hereby given that Great Lakes Council, pursuant to the aforementioned Act and Regulation, has named the roads described hereunder:

<i>Description</i>	<i>Name</i>
The section of Herivels Road, Wootton, which is located on the western side of the Pacific Highway, commencing approximately 60m from the intersection of Ferny Creek Road with the Pacific Highway and running in a northerly direction for a length of approximately 1.790km.	Muxlows Road, Wootton.

KEITH O'LEARY, General Manager, Great Lakes Council, Breese Parade, Forster NSW 2428. [4655]

**LAKE MACQUARIE CITY COUNCIL**

Proposed Naming of Roads in Subdivision

NOTICE is hereby given by Council in pursuance of section 162.1 of the Roads Act 1993, as amended, proposes to name the roads shown hereunder:

<i>Location</i>	<i>Name</i>
Subdivision of Lot 1000, DP 1092785, George Booth Drive Cameron Park.	Cleveland Street, Cameron Park. Cleveland Street, Edgeworth. Devonshire Street, Cameron Park. Foveaux Street, Cameron Park. Kippax Street, Edgeworth.

Please forward any objections, with reasons clearly stated to:

The General Manager,  
Lake Macquarie City Council,  
Box 1906,  
Hunter Region Mail Centre NSW 2310.

For further information contact Margaret Cumpson on (02) 4921 0323. [4656]

**MANLY COUNCIL**

Local Government Act 1993

Notice of Acquisition of Land

MANLY COUNCIL directs, with the approval of Her Excellency the Governor, that the lands described in the schedule below, be transferred to Manly Council in accordance with the provisions of section 50(2)(a) of the Local Government Act 1993, for open space. Dated at Manly, 12 June 2009. H. T. WONG, General Manager, Manly Council, PO Box 82, Manly NSW 1500.

**SCHEDULE**

Lot 95, Deposited Plan 11214 (known as 'Pickering Point Reserve, Seaforth'). [4657]

**MID-WESTERN REGIONAL COUNCIL**

Roads Act 1993

Land Acquisition (Just Terms Compensation) Act 1991

Notice of Compulsory Acquisition of Land

THE Mid-Western Regional Council declares, with the approval of Her Excellency the Governor, that the land described in the Schedule below, excluding mines and deposits of minerals within the land, is acquired by compulsory process in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for the purpose of a public road. Dated at Mudgee, this 17th day of June 2009. WARWICK L. BENNETT, General Manager, Mid-Western Regional Council, PO Box 156, Mudgee NSW 2850.

**SCHEDULE**

Lot 2, DP 1107784. [4658]

**RANDWICK CITY COUNCIL**

Local Government Act 1993

Land Acquisition (Just Terms Compensation) Act 1991

Notice of Compulsory Acquisition of Land

RANDWICK CITY COUNCIL declares, with the approval of Her Excellency the Governor, that the land described in the Schedule below, excluding mines and deposits of minerals within the land, is acquired by compulsory process in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for a drainage reserve. Dated at Randwick, this 19th day of June 2009. RAY BROWNLEE, General Manager, Randwick City Council, 30 Frances Street, Randwick NSW 2031.

**SCHEDULE**

Lot 1, DP1122156. [4659]

**SHOALHAVEN CITY COUNCIL**

Local Government Act 1993

Land Acquisition (Just Terms Compensation) Act 1991

Notice of Compulsory Acquisition of Land

THE Shoalhaven City Council declares, with the approval of His Excellency the Lieutenant Governor, that the easement described in the Schedule below, excluding mines and deposits of minerals within the land, is acquired by compulsory process in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for sewerage purposes. Dated at Nowra, this 4th day of June 2009. RUSSELL PIGG, General Manager, Shoalhaven City Council, PO Box 42, Nowra NSW 2541.

**SCHEDULE**

Interest in Land

Easement rights as described under the heading Sewer Pipeline (Shoalhaven) in the terms set out hereunder over the site shown in Deposited Plan 1125806 as '(A) PROPOSED EASEMENT FOR SEWER PIPELINE 7 WIDE' WITHIN Lot 38 in Deposited Plan 733495.

## Rights to be acquired:

## Easement for drainage of sewage

- (1) The body having the benefit of this easement may:
- (a) drain sewage, sullage and other fluid wastes in pipes through each lot burdened, but only within the site of this easement, and
  - (b) do anything reasonably necessary for that purpose, including:
    - entering the lot burdened, and
    - taking anything on to the lot burdened, and
    - using any existing line of pipes, and
    - carrying out works, such as constructing, placing, repairing or maintain pipes and equipment.
- (2) In exercising those powers, the body having the benefit of this easement must:
- (a) ensure all work done properly, and
  - (b) cause as little inconvenience as is practicable to the owner and any occupier of the lot burdened, and
  - (c) cause as little damage as is practicable to the lot burdened and any improvement on it, and
  - (d) restore the lot burdened as nearly as is practicable to its former condition, and
  - (e) make good any collateral damage.

[4660]

**SUTHERLAND SHIRE COUNCIL**

Roads Act 1993, Section 10

## Dedication of Land as Public Road

NOTICE is hereby given that Sutherland Shire Council, by resolutions dated 11 May 2009 and 9 June 2009, and pursuant to section 10 of the Roads Act 1993, hereby dedicates as public road, the land described in the Schedules below. Dated at Sutherland, this 15th day of June 2009. J. W. RAYNER, General Manager, Sutherland Shire Council, Eton Street, Sutherland NSW 2232.

**SCHEDULE 1**

ALL those pieces or parcels of land situated in the Local Government Area of Sutherland Shire, Parish of Sutherland and County of Cumberland, shown as:

Lot 3, Deposited Plan 736870;  
 Lot 14, Deposited Plan 4752;  
 Lot 1, Deposited Plan 544389;  
 Lot 104, Deposited Plan 833139;  
 Lot 1, Deposited Plan 173876;  
 Lot 1, Deposited Plan 178172;  
 Lot A, Deposited Plan 179965;  
 Lot B, Deposited Plan 179965;

Lot C, Deposited Plan 179965;  
 Lot D, Deposited Plan 179965;  
 Lot E, Deposited Plan 179965;  
 Lot F, Deposited Plan 179965;  
 Lot B, Deposited Plan 182241;  
 Lot B, Deposited Plan 182242;  
 Lot 1, Deposited Plan 184023;  
 Lot 5, Deposited Plan 217626;  
 Lot 87, Deposited Plan 223316;  
 Lot 2, Deposited Plan 235621;  
 Lot 49, Deposited Plan 239024;  
 Lot 50, Deposited Plan 239024;  
 Lot 1, Deposited Plan 319195;  
 Lot 20, Deposited Plan 6752;  
 Lot 18B, Deposited Plan 320891;  
 Lot 1, Deposited Plan 325807;  
 Lot A, Deposited Plan 325833;  
 Lot 2, Deposited Plan 358682;  
 Lot Y, Deposited Plan 403279;  
 Lot 1, Deposited Plan 547751;  
 Lot 4, Deposited Plan 6908;  
 Lot 1, Deposited Plan 703417;  
 Lot 1295, Deposited Plan 733576;  
 Lot 52, Deposited Plan 836876;  
 Lot 53, Deposited Plan 836876;  
 Lot 12, Deposited Plan 597609;  
 Lot 2, Deposited Plan 739053;  
 Lot 103, Deposited Plan 733063;  
 Lot 6, Deposited Plan 7443; and  
 Reserve shown in Deposited Plan 6430 being whole of the land in CT Vol 3805 Fol 145.

**SCHEDULE 2**

ALL those pieces or parcels of land situated in the Local Government Area of Sutherland Shire, Parish of Holsworthy and County of Cumberland, shown as:

Lot 18, Deposited Plan 262124;  
 Lot 94, Deposited Plan 255416;  
 Lot 28, Deposited Plan 610134;  
 Lot 11, Deposited Plan 259905; and  
 Lot 9, Deposited Plan 238879.

**SCHEDULE 3**

ALL those pieces or parcels of land situated in the Local Government Area of Sutherland Shire, Parish of Heathcote and County of Cumberland, shown as:

Lot 6, Deposited Plan 717216; and  
 Lot 1, Deposited Plan 775402.

[4661]

### FAIRFIELD CITY COUNCIL

#### Public Notice

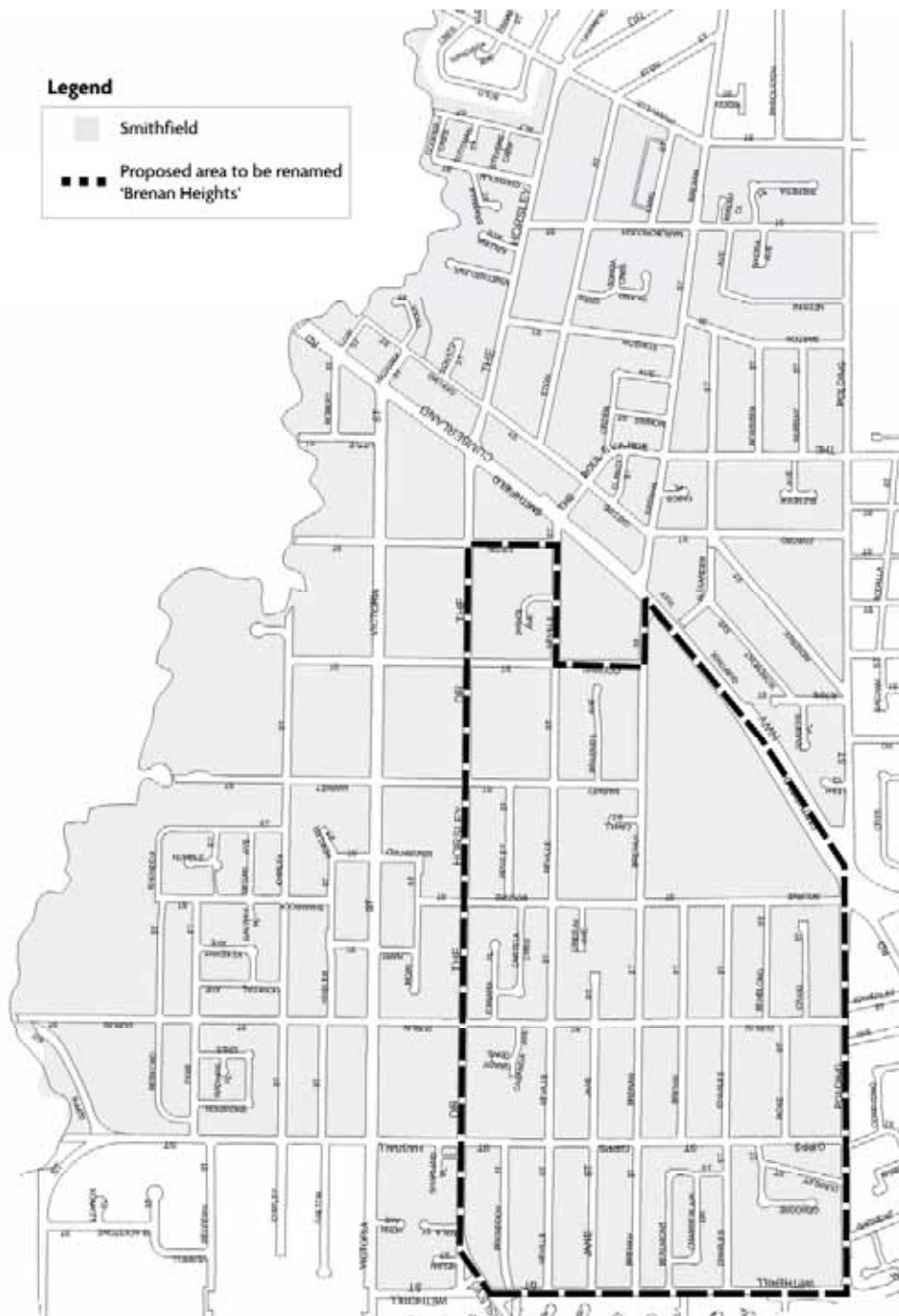
#### Proposed Suburb Name Change for Part of Smithfield

THE proposed renaming of part of Smithfield to Brenan Heights was initiated as a response by Council to a petition from residents.

The recommended procedures for determining suburb and locality names and boundaries are clearly set out by the Geographical Names Board.

Details of the proposed new boundaries are now on display at Fairfield City Council's Office in Avoca Road, Wakeley and on Council's website [www.fairfield.nsw.gov.au](http://www.fairfield.nsw.gov.au). For further information please call Julie Baker on (02) 9724 0387.

Public comment can be made in writing or email to [jbaker@fairfieldcity.nsw.gov.au](mailto:jbaker@fairfieldcity.nsw.gov.au). The deadline for responses is close of business on 10 July, 2009.



[4662]



## ESTATE NOTICES

NOTICE of intended distribution of estate.—Any person having any claim upon the estate of SYBIL IVY FERGUSON, late of Wattle Grove, in the State of New South Wales, who died on 18 March 2009, must send particulars of his/her claim to the executrixes, c.o. Mercuri & Co., Solicitors, PO Box 719, Drummoyne NSW 1470, within one (1) calendar month from publication of this notice. After that time the executrixes may distribute the assets of the estate having regard only to the claims of which at the time of distribution they have notice. Probate was granted in New South Wales on 25 May 2009. MERCURI & CO., Solicitors, PO Box 719, Drummoyne NSW 1470, tel.: (02) 9818 8375. Reference: FM:LC.

[4663]

NOTICE of intended distribution of estate.—Any person having any claim upon the estate of DONALD ALBERT MITCHELL, late of Croydon Park, in the State of New South Wales, retired, who died on 25 February 2009, must send particulars of his/her claim to the executors, Liem Quang Huynh and Trang Minh Thi Huynh, c.o. C. P. White & Sons (Burwood), Solicitors, 15 Belmore Street, Burwood NSW 2134, within one (1) calendar month from publication of this notice. After that time the assets of the estate may be conveyed and distributed having regard only to the claims of which at the time of conveyance or distribution the executors have notice. Probate was granted in New South Wales on 30 April 2009. C. P. WHITE & SONS (Burwood), Solicitors, 15 Belmore Street, Burwood NSW 2134 (PO Box 36, Burwood NSW 1805), (DX 8550, Burwood), tel.: (02) 9744 2198. Reference: DJM.KP.33247.

[4664]

NOTICE of intended distribution of estate.—Any person having any claim upon the estate of HUBERTUS PETRUS WIJENBERG, late of 69 King Road, Hornsby, in the State of New South Wales, widower, who died on 5 April 2009, must send particulars of his claim to the executors, Katie Antoinette Fitzgerald, Gwendoline Frances Wijenberg and Frank Mark Wyenberg, c.o. Steve Masselos & Co., Solicitors, PO Box A988, Sydney South NSW 1235, within one (1) calendar month from publication of this notice. After that time the executors may distribute the assets of the estate having regard only to the claims of which at the time of distribution they have notice. Probate was granted in New South Wales on 20 May 2009, as number 108236/09. STEVE MASSELOS & CO., A Solicitor Corporation, 2nd Floor, 114-120 Castlereagh Street, Sydney NSW 2000 (PO Box A988, Sydney South NSW 1235), (DX 305, Sydney), tel.: (02) 9264 7022. Reference: Mr Fitzgerald:sw:18857.

[4665]

NOTICE of intended distribution of estate.—Any person having any claim upon the estate of LAZAROS ANASTASSIADIS, late of 36 Knight Street, Arncliffe, in the State of New South Wales, who was presumed dead on 1 April 2009, must send particulars of this claim to the administrators, Spyros Anastassiadis (also known as Spyridon Anastassiadis) and Angela Anastassiadis (also known as Angeliki Anastassiadis), c.o. Denis M. Anderson, Solicitor, 10 Regent Street, Kogarah NSW 2217, within one (1) calendar month from publication of this notice. After that time the administrators may distribute the assets of the estate having regard only to the claims of which at the time of distribution they have notice. Letters of Administration were granted in New South Wales on 21 April 2009. DENIS M. ANDERSON, Solicitor, 10 Regent Street, Kogarah NSW 2217 (PO Box 148, Kogarah NSW 1485), tel.: (02) 9587 0440. Reference: DA.CD:4366.

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